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1918-1919

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UNIVERSITY DEBATORS'
ANNUAL

Volume I. E. C. Mabie, editor

Increase in the Army and Navy
Monroe Doctrine
Minimum Wage
Government Ownership of Telephone and
Telegraph
Socialistic Control of the Means of Pro-
duction and Exchange
Single Tax

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Preparedness
Compulsory Military Service
Federal Ownership of Telegraph and Tele-
phone
City Manager Plan of Government
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Restriction of Immigration by the Literacy
Test
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Volume III. E. M. Phelps, editor

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Compulsory Arbitration of Railway Dis-
putes
Chinese and Japanese Immigration
Compulsory Arbitration
Progressive Inheritance Tax

Volume IV. E. M. Phelps, editor

Compulsory Arbitration of Industrial Dis-
putes (Two debates)
Government Price Control
League of Nations to Enforce Peace
Federal Regulation of Industry
Minimum Wage

Volume V. E. M. Phelps, editor

Cabinet System of Government
Government Ownership of Railroads
(Three debates)
Federal Employment for Surplus Labor

Price, per volume, \$1.80

UNIVERSITY DEBATORS' ANNUAL

Constructive and Rebuttal Speeches Delivered in Debates of
American Colleges and Universities During the
College Year, 1918-1919

Edited by
EDITH M. PHELPS

THE H. W. WILSON COMPANY
NEW YORK
1919

8 140

PUBLISHED SEPTEMBER, 1919

808.5

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v. 5, 1918-1919

0.2 p.

PREFACE

In this Volume V, as in previous Annuals of this series, debates have been included that are not only representative of the intercollegiate debating activities of the year, but that deal with public questions sure to be of interest to debaters for some time to come. This makes the volume a valuable source of specimen material for the student of debate, and also of useful reference material for those interested in the subjects presented.

The number of debates available this year has been limited, due to several causes. War conditions prevented many of the usual intercollegiate debating arrangements from being carried out. The selection was limited further by the fact that many debating teams had selected the same subject—government ownership of railroads was exceedingly popular. Three debates on this subject have been reprinted here.

Five debates in all have been included in this volume. One is a complete stenographic report of the debate, the others were compiled from manuscript copies of the debaters' speeches, presented in the order in which they were actually delivered. Each debate is accompanied by briefs and bibliography.

Grateful acknowledgement is made to all who assisted in securing the needed material from the debating teams represented, and to Miss Julia E. Johnson for her assistance in preparing and editing the bibliographies.

EDITH M. PHELPS.

September 3, 1919.

4-6-20

Calvinist system
Railroads - 1840
Compulsory
School

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CHAPTER I

CABINET SYSTEM OF GOVERNMENT

CLARK COLLEGE

versus

TUFTS COLLEGE

RESOLVED, That a cabinet form of government modelled after the British system should be adopted by the United States.

This is a report of the debate between an Affirmative team representing Clark College and a Negative team representing Tufts College, held at Clark College, Worcester, Mass., April 18, 1919. The judges voted two to one in favor of Clark College. Owing to the illness of Oscar Rinquist, First Affirmative speaker for Clark, his speeches were delivered by Joshua Morrison. The bibliography has been supplied by Julia E. Johnsen, and the brief by the Editor of this volume.

BRIEF

CABINET SYSTEM OF GOVERNMENT

AFFIRMATIVE

Introduction:

- A. The fundamental principle of a democratic government is to express and execute the will of the people.
- B. It is a recognized fact that the United States government lacks this essential quality.
- C. The Affirmative maintain that this fundamental principle can be realized by the adoption of the Cabinet system.
- D. In the Cabinet system the legislative and executive functions are merged so that the majority in the legislature controls and is definitely responsible for all the acts of the government.
 - 1. In our Presidential system the legislative and executive are separated thoroughly and intentionally.
- I. Our government was based on a misconception: the separation of powers.
 - ✓ A. Our fore-fathers, in 1787, endeavored to copy the British system, but derived their conception of it from Montesquieu who was himself mistaken.
 - 1. They not only failed to copy the British system but substituted one that had never been tried, and that has not been approved by the world's greatest philosophers.
 - 2. They built up a system of separation of powers.
 - ✓ B. The purpose of a democratic government is to express and execute the will of the people.

- ✓ I. The principle of the separation of powers defeats that purpose.
 - C. Realizing the limitations of that system, we have endeavored, by clothing the Executive with great power, to make him responsible for the acts of government.
 - I. We have realized this purpose only to a slight degree and to the detriment of Congress.
 - D. By making the Executive most powerful we have gone contrary to the evolution of popular government thruout the world.
- II. The Presidential system, in operation today, is inefficient, irresponsible, undemocratic and unprogressive.
- ✓ A. Mutual distrust prevents cooperation between the Senate and the House.
 - I. The result is perpetual conflict, compromise, delay and waste.
 - B. American political history is a record of conflicts between the executive and legislative departments.
 - I. There is no responsible organization between the body which expresses and the body which executes the will of the people.
 - C. The Cabinet is not effective.
 - D. There is no harmony of action between the various committees in Congress.
- III. These evils are due to the principle of the separation of powers.
- A. No reform, however sweeping, can remove these evils without removing the cause.
 - B. The only remedy is the Cabinet system of government.
 - I. Under a Cabinet system cooperation is the rule, and results in that efficiency for which the English Cabinet system is world-famous.
 - 2. Under such a system the nation is governed as effectively as any modern business enterprise.

3. There is no room for inefficiency and irresponsibility, and less for graft.
 4. Cabinet government is organic, democratic and progressive.
 - a. Its only check is the check of the people.
- IV. The Cabinet system is peculiarly adaptable to this country and would be entirely practicable.
- A. We have all the conditions essential to cabinet government.
 1. The primary essential is the two-party system which we already have.
 - B. We have actually endeavored to realize the Cabinet system by attempting to center responsibility in the President.
 1. This has been the most essential feature of our governmental development for the past twenty-five years.
 - C. The changes in our government necessary to introduce the Cabinet system are few and are entirely feasible.
 1. We would retain the President as the ceremonial head of the government free from all Congressional intrigue.
 2. With the Cabinet system, we would introduce the Premier upon whom responsibility for all the acts of the government is centered.
 3. We propose that the department heads, or the members of the Cabinet, have seats in Congress.
 4. We propose the location of primary legislative power and responsibility in the House of Representatives.

NEGATIVE

- I. There is no popular demand for the adoption of the Cabinet system in this country.
 - A. In the early seventies an amendment to the Constitution

for the popular election of senators was first set forth, and, about the same time, a movement was started for a change in our Cabinet system.

- B. After forty years or more, the amendment for the election of senators has become part of our Constitution but little is heard of the movement for a change in our Cabinet system of government.

II. In this period of world reconstruction it would be unwise for us to consider any such change.

- A. We are faced with great problems, both of national and of international importance.
- B. Such a change would be an experiment with our machinery of government, and it would take considerable time to determine whether or not it was a success.
- C. If a failure, it would bring dire circumstances not only to the country but to the whole world just at the time when we need to strengthen rather than weaken our government.

III. The introduction of the English Cabinet system would destroy our present system of government without giving any permanent advantages.

- A. It will destroy the principle of checks and balances upon which our government is built.
- B. The chief executive position would become merely a dignified vacuum.
 - 1. The fundamental conception of our government is that the President shall be the national leader in times of crisis.
 - 2. The advantage of our system was fully demonstrated during the war.
 - a. Under the strong centralized leadership of the President we were able to accomplish in a year and a half more than England, with the Cabinet system, accomplished in the first three years of the war.

- b. In the matter of the first proposed covenant of the league of nations our system vindicated itself and proved that the President is never beyond the check of true national will.
 - C. The Cabinet system would destroy the power and utility of the Senate, and would center government power in the House of Representatives.
 - 1. The House has already been pronounced by experts to be the most inefficient branch of our government.
 - 2. An otherwise unchecked House could easily destroy the restraint exercised by the Supreme Court, by simply refusing to confirm the appointment of judges.
 - D. For one hundred and thirty years our government has functioned effectively, met successfully crises as great as any nation in the world has had to meet, and carried our nation as the great model of liberty and democracy through the greatest world crisis our civilization has ever had to face.
- IV. The adoption of the English Cabinet system into our form of government would be impracticable.
 - ✓ A. England's Cabinet system is unwieldy.
 - 1. It has a tendency to increase in size.
 - ✓ a. An office in the Cabinet is considered a political honor and is often used as a reward for political service.
 - ✓ b. This results in continuous pressure within Parliament for the creation of some new cabinet office in order that some political aspirant may be satisfied.
 - Omit* B. Members of England's cabinet must divide their time between departmental, legislative and executive duties.
 - Omit* 1. They are not able to give their time to any one task.
 - begin* 2. This proved disastrous to England in the early years of the war.

- C. For this reason, the war made it necessary for England to Americanize her system of cabinet government.
1. The War Cabinet became principally an executive body.
 2. The War Cabinet abolished the policy of collective responsibility.
 - a. When Mr. Chamberlain, Secretary of State for India, resigned from the Cabinet in 1917, the other members of the Cabinet, continued to hold their positions.
 - b. This was contrary to former policy.
 3. The War Cabinet abolished the practice of sitting in the House of Commons.
 - a. Prior to 1916 it was the rule that members' of the Cabinet should sit in the House of Commons and that the Prime Minister, when not a peer, should be the leader of the House.
 - b. The war forced this practice to be abandoned.
 - (1) Cabinet members had to absent themselves from Parliament in order to attend to executive matters.

CABINET SYSTEM OF GOVERNMENT

CLARK COLLEGE

versus

TUFTS COLLEGE

FIRST AFFIRMATIVE

Oscar Rinquist, Clark

Mr. Chairman, Ladies and Gentlemen: The fundamental principle of a democratic government is to express and execute the will of the people. Responsiveness is therefore a fundamental trait of a truly democratic government. Yet it is a recognized fact that in the United States we lack this essential quality. The Affirmative will prove that by the adoption of the Cabinet system this primary characteristic may be realized.

As reformers then, not as radicals or revolutionists, we present our plan for your approval. We would merely do away with the glaring defects of our present government by substituting those fundamentals of the British system which have stood the test of time.

We would introduce the cabinet system in which the legislative and executive functions are merged so that the majority in the legislature controls and is definitely responsible for all the acts of the government. Whereas in our Presidential system the legislative and executive functions are intentionally and thoroughly separated so that these two branches of the government may be controlled by different political parties, neither of which can be held responsible for the acts of the government.

The Affirmative will prove:

1. That our government was based on a misconception; the separation of powers. In trying to remedy that system we have taken an unnatural trend which defeats the purpose of a democratic government.

2. That this unnatural trend is traceable to our inherently defective system.

3. That the British system as applied to the United States is a corrective which will obliterate the defects of our own government.

It devolves upon the Negative to prove, that our system has worked well in the past; that the political parties in the United States are not correlated with our governmental system; and that reforms can be obtained without altering the fundamentals of our government. In addition, it devolves upon the Negative to prove that the British system as applied to the United States would prove inferior to our own.

Our government was based on a misconception. Our forefathers in 1787 endeavored to copy the British system, but, because they derived their conception of that system from Montesquieu, who himself was mistaken, they adopted the idea of the separation of powers. Therefore, they not only failed to copy the British system but they substituted one that had never been tried and which has met with the disapprobation of the world's greatest political philosophers.

The purpose of any democratic government is to express and execute the will of the people. This purpose is intentionally defeated by the principle of the separation of powers. The legislative branch may express the will of the people but it has no power to carry its will into effect. The executive may be sensitive to popular will but he has not the power to express it in law. Therefore, by accepting the theory of the separation of powers we have a government which thwarts the purpose of a true democracy.

We realized early the limitations of the separation of powers and its necessary concomitants, lack of unity and responsibility. Consequently we have in practice, endeavored to place responsibility on the President. To be able in some degree to assume this responsibility the President has been forced to subjugate Congress to his will. But because of constitutional limitations this has been imperfectly realized by an extensive use of the veto, threat of veto, and patronage.

Jackson was forced to veto almost every bill of Congress in order to realize his purpose.

To obtain the independent Treasury system Tyler used similar undesirable methods.

By veto and threat of veto Roosevelt wielded the Big Stick.

By the use of patronage the President has been able to succeed even where the veto failed him.

Jefferson spoke of patronage as the chief source of influence.

In his opposition to the United States Bank Jackson was victorious only after appointing three consecutive men as secretaries.

Cleveland used this power of appointment to secure the repeal of the Silver Purchase Bill.

Roosevelt, Taft and Wilson have been censured for the abuse of this same power.

Most of Wilson's cabinet received appointment as a reward for political service.

But even with an extensive use of the veto and patronage the President often fails to realize his purpose. In that case he only impedes Congress in the performance of its function. If Congress is strong enough, it causes deadlocks or even passes legislation over the President's veto.

Conspicuous examples of this are the administrations of Johnson, Cleveland and Taft.

To control the 65th Congress Wilson used more despotic powers than the Kaiser. And this happened when that body was of the same political party as the President. What may we expect then, when our democratic President meets his new Republican Congress. Now as we face the critical period of Reconstruction which can be met only by the most perfect co-ordination of executive and legislative departments, we find the control of those organs of government vested in the hands of two bitterly antagonistic parties. At this time when the nation cries out for progressive legislation, we are again confronted by a period of either governmental friction or legislative stagnation. And for this neither the President nor Congress nor either political party can be held responsible.

These facts prove that we have endeavored to make the President responsible for the acts of the government. Moreover, to obtain this meager degree of responsibility, the President has usurped enormous and dangerous powers. As Gouverneur

Morris said, "We have built up a system by which we elect a king for four years."

Therefore, without the Cabinet system we face one of two alternatives; either the President shall assume the legislative and executive functions of government, and that is autocracy; or the executive and legislative functions shall be entirely separated as was the intention of the founders. In that case we have governmental deadlocks and cessation of progress. In either case we thwart the purpose of a true democracy, for the government does not express or execute the will of the people. Furthermore, in making the President supreme we are going contrary to the evolution of democratic governments thruout the world. In every democratic nation such as England, France, Italy, Canada, or Australia the executive is subordinate to and responsible to the legislature. The legislature is responsible to the people.

Ladies and Gentlemen, I have proven :

1. That our forefathers in 1787 tried to copy the British system but failed. Instead they built up a system of separation of powers.

2. That the purpose of a democratic government is to express and execute the will of the people. The principle of the separation of powers defeats that purpose.

3. That we realized the limitations of that system and by clothing the executive with enormous powers we have endeavored to make him responsible for the acts of the government. That we have only realized this purpose to a very slight degree, and to the detriment of Congress, the popular body.

4. That by making the executive most powerful we have gone contrary to the evolution of popular government thruout the world.

That, Ladies and Gentlemen, is our system of government. Wrong in theory and in practice, working for continuous delays in legislation and administration. Nor is it responsive or responsible to the will of the people. It is ill adapted to our needs and should give way to the British Cabinet system the advantages of which my colleagues will prove to you.

FIRST NEGATIVE

David Crockett, Tufts

In every great question of national importance, the people of the United States have been thoroughly alive to the great issues involved. Our presidential campaigns are conducted upon as tremendous a scale as in any country of the world. Our presidential candidates speak, in the course of their campaigns, to literally millions of peoples. The organization and influence of the great national political parties are among the marvels of our American institutions. It would, therefore, be ridiculous for either the Affirmative or Negative this evening to attempt to prove that the American people are not as thoroughly interested in their government as the people of any other country.

It seems from the nature of the question under discussion this evening, namely: "Resolved, that the United States should adopt a cabinet form of government modelled after that of Great Britain," that the gentlemen of the Affirmative must prove that there is a distinct and clear need for this change in our system of government, and if there is a clear need for such a change, that that change should be modelled after that of Great Britain.

If we should model our system of cabinet government after that of Great Britain, what will be the position of the President? Note, Ladies and Gentlemen, that the President exerts a tremendous power and influence as chief of the executive department. Will this change result in making his power similar to that of the King of England, namely, a figurehead? If this change is adopted will the responsibility be principally that of the House of Representatives as in England the cabinet is responsible chiefly to the House of Commons? If so, what will be the position of the Senate? The Senate, like the President, holds a distinct and very important position in our government. Would you relegate its power to that of the House of Lords?

We of the Negative believe that this change should not be adopted because (1) There is no popular demand for the change (2) In this period of Reconstruction it seems very unwise for us to make any such change (3) The introduction of the British system is contrary to the workings of our government and

would bring no permanent advantages (4) The English system is impracticable because it is unwieldy and the war showed that England had to Americanize her own system.

There is no popular demand for this change and in every great question of such a nature—a change in the machinery or plan of our government—it is highly important to consider the popular demand for it. It was in the early seventies that an amendment to the Constitution for the popular election of Senators was first set forth. About the same time, a movement was started for a change in our cabinet system of government, modelled after that of Great Britain—a change similar to the one proposed by the Affirmative this evening. What was the result? It took forty years before the amendment to the Constitution for the popular election of senators finally became a part of the Constitution and was put into effect. But where is your amendment for a change in our cabinet system of government? There is no such a movement for such a change today. I doubt if any one in this audience has ever even seriously considered any such a change and as time goes on the possibility of such a change becomes even less important. Why? Because our government has ceased being merely an experiment, it has succeeded for one hundred and thirty years and during those one hundred and thirty years we have never failed to elect a President of these United States. Our Congress has met every year the first of December to enact legislation. In other words, our government is today upon a firm, logical, sane basis.

But more than that, during the last three years we have been moved from our position as merely the greatest power in the western hemisphere to a really great world power. Our President is at this time in Paris at the peace conference, and in many respects exerts the preponderant influence. New powers, arising in Europe, are founding their governments upon that of the United States. We have been recognized as the leader of the world in Democracy. The United States has ceased from being the pupil; we are now the teacher.

In the period of great world reconstruction it would be very unwise for us to consider any such change. We are faced with tremendous problems—not only of international importance, but of national importance—problems of industry and social reconstruction.

When Mr. Lloyd George was asked, several weeks ago, by a prominent Paris newspaper as to the reasons for the continued delay in the Peace Conference, he said that there was no great difference of opinion among the conferees, but that the difference of opinion lay with the experts; those who were called upon to make the machinery, plan the means by which the different principles of the Peace Conference may be carried into effect. The same thing is true in the present instance. This proposed change in our cabinet government is, at the best, but an experiment in the machinery of government and it would take considerable time before it was certain that any such experiment was a success, just as it took many years before our whole plan of government had passed out of the experimental stage and was proclaimed a success.

But if a failure, as We of the Negative believe it would be, it would bring dire circumstances not only to the country but to the whole world at the time when we stand as one of the few bulwarks against the rising tide of anarchy and Bolshevism; at this time when we should strengthen rather than weaken that government to meet these great problems and solve them in a safe, sane way.

SECOND AFFIRMATIVE

John G. McGovern, Clark

Ladies and Gentlemen: I am sure that you will agree that my colleague has proved that the idea of the separation of powers is false in theory and impossible of application in practice and that he has also proved that in American History the attempted application of this theory has resulted in the increase of the executive powers at the expense of the legislature in clear violation of the fundamental principle of popular government.

I shall prove that as a result of this violation, the presidential system in operation today is inefficient, irresponsible, undemocratic and unprogressive. (Furthermore, that these evils are traceable to the separation of powers and that no reform, however sweeping, can remove the evil without removing the cause. Finally, I shall prove that the only solution lies in the adoption of a Cabinet system of government.)

As my colleague has already declared, the primary functions

of government are the expression and execution of the will of the people. Where these are separated conflict is common, paralysis frequent. This condition is primarily the cause of the appalling inefficiency of Presidential government.

Mutual distrust prevents co-operation between the Senate and House. One envies the other, both are jealous of their powers and they work independently without mutual understanding. The result is perpetual conflict, compromise after compromise, delay and waste.

The same may be said of the relations between Congress and the President. American political history is a record of conflicts between the executive and legislative departments. (We all know who will direct the national policy under a Van Buren just as surely as we know who will direct it under a Theodore Roosevelt.) In the last analysis it is always a question of relative force. (The Constitution, to be sure, has attempted to mark the line of demarkation but anyone familiar with American History knows how far that line has been effective.)

(On the other hand, under a Cabinet system co-operation is the rule.) Between both departments there is always a spirit of unity, a spirit of understanding, of mutual trust. While in the United States artificial division causes delay, in England natural unity and understanding produce that efficiency for which the English Cabinet system is famed throughout the world. In short, as Walter Bagehot, the great political thinker, put it, "the efficient secret of the English Constitution lies in the almost complete fusion of the executive and legislative departments."

(Presidential government is not only inefficient, its lack of responsibility is perhaps a greater evil.) (A government which provides no responsible organization between the body which expresses and the body which executes the will of the people is a government unsuited to the needs of a great democracy.) It is idle to argue that the President's Message and the President's Cabinet afford such organization. The Annual message is delivered of Constitutional necessity and contains merely information on the state of the union known to the average citizen long before it is delivered. At best it is a recommendation to be accepted or rejected by Congress.

The Cabinet is hardly more effective. It not only fails to supply harmony between Congress and the President but it is

often the chief obstacle in the way of harmony. In the last Congress, as we all know, a considerable portion of limited time was expended in the expression of Congressional contempt for Messrs. Baker and Burleson. The Cabinet members themselves are not chosen as a reward for ability and distinction in the service of the state. Their appointment is often compensation for political services rendered. Finally, in the words of James Bryce, by far the greatest authority on American Government, "the Cabinet is a group of individuals with no joint policy, no collective responsibility."

The results are self-evident—perpetual conflict, delay, waste, blunder after blunder—and all without possibility of fixing responsibility. The last Congress is an eloquent example. The Democrats attributed its failure to the filibustering Republicans,—the Republicans pointed the finger of scorn at the failure of the Democrats to begin work before the eleventh hour. Congress pointed to the President and the President, in public address, held Congress to "strict accountability" for its colossal failure to meet the railroad situation and a thousand other problems of reconstruction.

And the last Congress was no exception. (In every case of conflict, Congress blames the President, the President blames Congress, and the people bear the loss.) The comedy was bad enough in the last session under the complete control of the Democrats, but add to this the possibilities of the next Congress with its Republican legislature and Democratic executive and the picture of chaos is complete.)

(Such a state of affairs might have been tolerated in the easy policy of the past, but now the demands of a new day are upon us—demands for efficient and responsible organization, for able leadership and centralized control. The old system is powerless to rise to the new occasion. Our only hope lies in the adoption of a Cabinet system. In England under such a system, the nation is governed as effectively as any modern business enterprise. The Cabinet, consisting of the ablest leaders of the nation, under the leadership of the Prime Minister, formulate and direct the national policy with the advice and consent of the House of Commons which in turn is controlled by the will of the people expressed in the General Election. In the words of Professor

Goodnow, "the fact that political responsibility is easily fixed, that the people may force out of power political leaders who do not possess their confidence, makes the whole system one in which popular government is easily secured." But, Ladies and Gentlemen, all this is but the prelude to the weakness of Presidential Government, the Committee System. To every school-boy, to everyone familiar with the rudiments of elementary civics the words inefficiency and irresponsibility, and the term committee system are synonymous.

The 48 committees which Senator Hoar called "little legislatures" have now increased to over 60 in each of both Houses of Congress. Each is a law unto itself; each works independently. There is no harmony of action, no concert of purpose, no acknowledged leadership. This system not only makes for inefficiency and lack of responsibility, but it fails to supply the primary need for which it was intended—the need of wise and responsible consideration of public legislation.

Individual Congressmen represent their particular constituencies. A member's success is rated by the party bosses in proportion to the amount of "pork" he is able to secure. "Log-rolling" is a favorite pastime.

If the individuals are bad, the committees are worse. A consideration of the question from the standpoint of finance will sustain my contention. (The Ways and Means Committee draws up its plans for revenues without reference to the several committees on appropriations. A worse violation of the fundamental principles of business practice is inconceivable.)

Taxation should be based on estimated expenditures. Under the separation of powers no such basis is possible. It is not possible because the debit side of the national account is managed by one set of men, the credit side by another and the trial balance by a third. As a result, in the words of Henry Jones Ford, "all sense of proportion between income and expenditure has been lost," and as a further result, in the words of Chas. A. Beard, "this system leads to ill-adjusted and conflicting legislation even on matters of fundamental importance—matters which in England would receive the careful attention of the Cabinet."

The same may be said of all other matters. If I had sufficient time I might dwell on the committee system in relation to the lobby and show how inefficiency and lack of responsibility

enables the agents of special interest, working behind closed doors, to secure the enactment of favorable legislation at the expense of the American people.

(On the other hand the efficiency and responsibility of Cabinet Government is common knowledge. The four great committees of the House of Commons are under the control of the Ministry. Each bill affecting public policy appears only after long and serious consideration, each bears the stamp of the Ministry, each is covered by the severest fire of debate. The responsible Cabinet makes the lobby almost unknown. The Budget speaks for itself. If the Chancellor of the Exchequer is unable to account for every item, if he is unable to strike a trial balance the entire Cabinet is held responsible. Without question, under such a system there is little room for inefficiency and irresponsibility and less for graft.)

Presidential Government is undemocratic and unprogressive for the same reasons that it is inefficient and irresponsible. The greatness of democratic government lies in its power to grow with the growth of the people. To do this effectively, Presidential Government is powerless—powerless because it is not responsible and consequently not responsive to public will, it is powerless because it is confused and complex and consequently lessens the force of intelligent public opinion. It is powerless finally, because it is mechanical—it consists of artificial checks and balances. It is astronomical, it depends for its life upon the double revolutions of the earth around the sun—regardless of its character its tenure of office is secure.

(Cabinet Government on the other hand, is organic, democratic and progressive. Its progress is hindered by no artificial checks and balances. Its only check is the check of the people. So long as it administers the affairs of the nation in accord with the wishes of Public Opinion it retains its position. The moment it defies public opinion, it pays the penalty at the polls. A more democratic, a more progressive system the mind of man has never conceived.)

(Ladies and Gentlemen: If it were possible to remove the defects of our government without changing its structure it would not be necessary to advocate the adoption of a Cabinet system. (But, We of the Affirmative, sustained by the world's greatest authorities, firmly maintain that the present evils cannot

be removed without the removal of the cause. That cause is the separation of powers. If we would have efficiency, we must have leadership, if we would have leadership we must have responsibility. We cannot have responsibility unless we make the party part of the government, we cannot make the party part of the government because its character is primarily due to the idea of the separation of powers. We cannot make our government democratic and progressive unless we make it organic. We cannot make it organic unless we abolish the system of artificial checks and balances which at present make it mechanical. Hence, Ladies and Gentlemen, the final and only logical conclusion is the abolition of the Presidential government and the adoption of a Cabinet system.

SECOND NEGATIVE

Oswald K. Hammond, Tufts

Mr. Chairman, Ladies and Gentlemen: In every period of great unrest some people seek, some individuals clamor, for the change of everything in sight, and it is evident that the second speaker for the Affirmative tonight is one of that group. After a frightful arraignment of our present system of government as a corrupt and stagnant chaos he presents the British Cabinet system of fusion of executive and legislature as the panacea for our troubles. But he forgets that after having watched their system in a great war crisis British government experts feel that it is faulty, and Professor Dyce of Oxford, one of England's foremost government experts, has within the last four months, urged that the British government system be remodeled by the permanent adoption of the American system of separation of executive and legislature which the War cabinet accomplished as a temporary makeshift.

The Affirmative would have us re-engine our ship of state. Before we decide to do this we must be sure, not only that the new engine is more perfect than the present one, but also that it can be installed without forcing us to so rebuild our ship that we shall have nothing left of the old structure save the figure-head and the flagstaff. The Affirmative must answer the questions that the opening speaker for the Negative proposed: They

must tell us what is to become of our President, what is to be the position of our Senate, what will be the effect on our judiciary? In following this line the second block of the Negative case maintains that *the introduction of the British Cabinet system will destroy our present system of government without giving any permanent advantages*. In taking up this case in detail we must first consider the effect on the position of the President. The founders of our government built our system upon the principle of checks and balances, by which the executive checks the legislature and judiciary, the judiciary the executive and legislature, and the legislature the executive and the judiciary on a *constructive basis*, allowing each full scope for initiative yet holding it responsive to the check of popular will.

The introduction of the British Cabinet system will destroy this principle. Again and again in the future, as in the past the situation of the coming Congress will occur, when the President and Congress are of different political parties. The first time this takes place the President will be faced with the dilemma of either insisting on a cabinet unacceptable to Congress which will make government impossible, or of submitting to a cabinet and premier opposed to his policies which will mean the surrender of his prerogatives and reduce him to a figure-head in the state. This has been the inevitable result wherever the responsible Cabinet system has been adopted, that the chief executive position has become a dignified vacuum. Do the American people want such a Presidency? *No*. The fundamental conception of our government is that the President shall be the national leader in time of crisis, a leader who can meet difficult situations with strong measures. Abraham Lincoln was such a leader, he assumed practically dictatorial power in suspending the writ of Habeas Corpus, and Congress legalized the action because the will of the people sanctioned it. In this present war crisis the advantage of our system has been fully demonstrated, for under the strong centralized leadership of our President we were able to accomplish in a year and a half more than England with the Cabinet system accomplished in the first three years of the war. And then we saw our President go to the European Peace Conference as the recognized leader of the American people. So complete and centralized had been his leadership that many were

beginning to wonder if after all, he was not an unchecked dictator. They were speedily answered. In a few weeks he brought back from Paris a covenant of a proposed League of Nations. He sought to force this to ratification without discussion or investigation. But the Senate said "Stop. This matter *shall* be investigated." And when it *was* discussed the people found that they did not want that particular covenant at all, and the world is beginning to realize that it owes a great debt to the United States Senate for preventing the acceptance of a hasty ill-constructed covenant for a League of Nations. But the vital point is this, *our system vindicated itself and proved that our President is never beyond the check of true national will.*

After this when President Wilson returned to France was he received as the discredited and humbled political leader? No, he was received with renewed and greater confidence, not as a doubtful dictator, but as the true leader of a great nation always, in the last analysis, responsible to the desire of a nation keenly and vitally interested in the world settlement. How great a contrast with the position of Lloyd George who was forced to leave the peace conference at a moment of grave crisis and return to Parliament to fight a desperate battle for his very political existence. Which system does the American Nation prefer, which system do you yourselves, Ladies and Gentlemen, prefer? That which gives a leader dependent for his power on the outcome of repeated and often merely local political exigencies and fluctuations, or one that gives to the nation a strong and definite leadership unhampered by partisan fluctuations yet always definitely controlled by the National Will?

And next what of the position of the Senate under a Cabinet system of government? You have seen the importance of the Senate in a vital test as part of our government system. Shall the Senate be destroyed as a fundamental part of our government? Only four or five years ago an attempt was made to force a gag rule through the Senate and the whole country said "No, the Senate shall not be gagged." The attempt died. Yet the Senate would meet a worse fate than a mere gag rule under the Cabinet government. For the history of the continual friction and squabbling between the House of Commons and the House of Lords proved conclusively that there is no room for

an upper house as a check on a practically all powerful branch of government. The result of a hundred and twenty years struggle was the taking from the House of Lords all but a theoretical veto and relegating that body to part of the same ceremonial pageant as the king. The Cabinet system of government will destroy the power and utility of our President and Senate and will center all government power on the House of Representatives, which our opponents have so violently assailed as corrupt and incapable, and which government experts have pronounced the most inefficient branch of our government. Furthermore, an otherwise unchecked house can easily destroy the restraint exercised by the Supreme Court by the simple expedient of refusing to confirm the appointment of judges. This, too, must happen for England has found it necessary to subordinate her judiciary to the all-powerful House of Commons.

Then, Ladies and Gentlemen, what is the gain in all this change? In a country built on such principles of liberty and democracy as are England, France, and the United States the final test of governmental machinery is successful existence. Do you realize that our government system is the oldest system existing in any important country in the world? Our government has stood for one hundred and thirty years without fundamental change. During those one hundred and thirty years England has seen her King and House of Lords transformed into a mediæval pageant and has gone through the crisis of a Reform Bill that was practically a revolution of her political fabric. During those hundred and thirty years France was an absolute monarchy, plunged into chaos, emerged an empire, turned back to monarchy, tried a republic, returned to a monarchy, went back to a republic, became again an empire and finally settled on a republic. But during all those hundred and thirty years our government functioned effectively, successfully met crises as great as any that any nation in the world has had to meet, and carried our nation as the great model of liberty and democracy through the greatest world crisis our civilization has ever had to face. No government has given a nation more in the past and no government offers its nation more in the future than the stability, adaptability, and final response to national will. The British Cabinet system would destroy the whole present fabric of our

government, and can offer us no permanent advantages we do not enjoy. Therefore, it should remain unaltered.

THIRD AFFIRMATIVE

Harry J. Meleski, Clark

Mr. Chairman, Ladies and Gentlemen: As the first speaker has indicated, our government is based on a false conception of the English system. This false idea of the separation of powers prevents responsiveness to the popular will and thus violates the fundamental principles of popular government. In consequence our governmental practice has ever been to depart from this mechanical arrangement.

The Second Speaker on the Affirmative has shown that this system has proven inefficient, irresponsible, undemocratic and unprogressive. He has also shown you that the evils of our system are directly traceable to the separation of powers and that the only remedy is the fusion of the executive and legislative branches.

We have such a government in the English Cabinet system, the advantages of which have already been stressed. It remains for me to prove that the Cabinet system is a peculiarly adaptable and a practical form of government for this country.

The Cabinet system can be successfully adopted in this country for we have first of all the conditions essential to cabinet government. English experience shows that the primary factor in the successful working of the Cabinet system is the rivalry of two great political parties. Now it is evident that where one of two well organized political parties, each jealous of its history and honor, controls the government, there the cabinet system is ideal; for under these circumstances the party controls both the legislative and executive branches and can be made clearly responsible for all acts of the government. This condition also secures unity of action, responsiveness to popular will, and efficiency. Now we in this country have had the two-party system for more than one hundred years; minor parties being of no importance in our political history. Therefore we have the primary condition essential for the successful adoption of the Cabinet system.

Moreover we have actually endeavored to realize the Cabinet system in our endeavors to center responsibility in the President. The Negative cannot deny that this has been the most essential feature of our governmental development for the past twenty-five years. We have made our senators popularly elective in order to secure responsiveness to popular will. We have instituted the civil service to satisfy popular distrust of the patronage power. We now talk of reforming our national finances in order to secure some of the precision of the Budget system of England. We are reorganizing our committee system in order to secure responsibility and efficiency in legislation. The spread of the commission form of government in this country indicates our desire to merge departments. The Negative has presented still further reforms to bring about the desired results in our government; yet they cannot deny that despite all our strenuous efforts to realize the superior advantages of the Cabinet system, we fall short of the goal because of the cumbrous, independent, inherently defective nature of our government based as it is on the principle of divided power and responsibility. What we propose to-night is to put purposely into operation thru the Cabinet system the efficiency and responsibility we have thus far failed to achieve under existing constitutional limitations.

Now, Ladies and Gentlemen, let us look at the changes involved:

1. We propose to retain the President as the ceremonial head of the government free from all Congressional intrigue.

2. With the Cabinet system we would introduce the Premier, upon whom responsibility for all the acts of the government is centered. As the true party leader he becomes a responsible head within the government. Elected by the majority of the House of Representatives, he and his party associates in the Cabinet formulate measures, direct legislation and assume direct responsibility for administration so long as they command popular support.

3. We propose that the department heads or members of the Cabinet have seats in Congress. This would complete the sorely needed union between the executive and legislative powers. Those who are to carry out the policies of the government have a responsible part in formulating them and enacting them into

law. It would, as it has in England, eliminate legislative log-rolling and playing to the political galleries, and would make, rather, for dignity and business-like precision in law-making. All special information of department heads would be at once available in guiding legislative action, and doubtless would be more pertinent and exact than is now the case. Under this system of clear-cut responsibility the party, in power would be forced to place its strongest men in the Cabinet, while at the same time, as English experience shows, politics would become an attractive career for the ablest minds in the country.

4. We propose the location of primary legislative power and responsibility in the House of Representatives. The House would thus for the first time bring into practice its theory that it reflects the interests and desires of the people. No longer would everything turn on the selection of a multitude of committees which are to determine our legislation. In other words, the effect upon Congress is to narrow the control of business to responsible party leaders. That such a control is necessary to prevent the House from degenerating into a mere debating society can be little doubted after the fiasco of the last sixty-fifth Congress.

Here we have the chief features of a system which provides for the expression and execution of the popular will by popularly controlled governmental machinery. It thus appears that the changes in our government necessary to introduce the Cabinet system are few and entirely feasible. If we had had such a system in 1914, can anyone doubt that the history of the last few years would have been different? In the midst of the greatest crisis of the age, the country in deepest humiliation was forced to witness repeated delays and exhibitions of cumbrous irresponsibility. Even when the President became favorable to war, the Speaker of the House with his misused powers over legislation was opposed to it. When preparations were finally begun, Congress came into continuous clashes with the Executive Departments. It called for investigations of shipping, of the airplane industry and other important undertakings. It debated inconsequential resolutions for political effect, or otherwise delayed and embarrassed action. Under the Cabinet system the legislative and the executive stand or fall together; here they

stubbornly stand and oppose each other, outraging public opinion and destroying efficient administration. By contrast in England within 16 days after the declaration of war, the first British expeditionary force took its place in the battle-line in France. Within five weeks 500,000 men had been recruited and within two months plans were formulated for an army of 3,000,000 men. In May 1915 a coalition government was formed and partisan politics permanently excluded from interfering with the conduct of the war. With similar precision and effectiveness the government met the other great problems of munitions, food control, shipping and ship building and the enormous problem of financing the war. The cabinet system revealed an unexampled adaptability and resourcefulness by expanding to meet enlarged duties, yet maintaining efficiency by erecting the war council. By contrast America found itself, next to Germany, the most autocratically governed country in the world.

We see therefore that for immediate problems of the present our system must be changed. The people of America, intelligent, possessing a national consciousness now so vividly awake and throbbing from the extraordinary excitements of world-wide conflict, demand satisfaction for their intellectual cravings in a more noble, more effective, more responsible form of government. The aim of democracy is to develop just such a social order as this, with which the duties and responsibilities of government may be safely deposited. The ideal is the creation of a medium for all the activities of the social organism. The ultimate type of government must be democratic and adaptable to the new world that peace is ushering in.

In conclusion, therefore, Ladies and Gentlemen, our case has been to show you, (1) that our system is fundamentally wrong in conception. Our constitutional fathers have not copied the English system as they thought they had.

(2) That such a system as ours is impossible of realization in practice. Our history, from the Congressional slander of George Washington, from the days of the spoils system down to the bickering, bribing methods of the present, is a long reiteration of this fact.

(3) That inefficient, irresponsible, undemocratic and unprogressive as our system is, it provides absolutely no means of natural and unimpeded future development. New conditions

mean nothing to a government as artificial and mechanical in structure as ours.

(4) That our reforms never reach the goal, never reach the government. They treat merely the result of an inherently defective system and not the causes of it.

(5) That we should recognize our short-comings and our natural trend toward a Cabinet system, and purposely to obliterate the evils of a government divided in powers and responsibility.

(6) That we can have this government containing a simple efficient part which on occasion and when wanted can work more simply, easily and better than any yet devised, a system copied by most of the democracies of the world.

(7) That we can have this system with remarkably few changes, entirely feasible and easily achieved, because we have the essential conditions necessary to its successful operation.

Ladies and Gentlemen, we of the Affirmative advocate this system, not because we have less reverence for that great body of patriots, whose hard labor built up our political institutions, not because we are less devoted to the great ideals which animated them, but rather because we believe that true devotion to those ideals, that true patriotism consists in facing, with fearless candor, the facts of our national life. In striving to perfect the work which they had begun, we wish to remove the defects of the past and present, which they themselves would remove if they were here to-day, and to fit America for the great tasks of the New Era she is about to enter, in order that she may assume the leadership among the nations of the world in the perfection of popular government.

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THIRD NEGATIVE

Ralph D. Weston, Tufts

The Gentleman who has just left the platform and his Colleagues have spent their time this evening in destructive argument. They have repeatedly pointed to the defects in our governmental machinery. They have stated that it is a thing of chaos and incompetency. But in doing this have they correctly occupied their position as the Affirmative in the debate?

I challenge our opponents to construct and not destroy. The burden of proof rests on their shoulders. And I point out that no where in the course of their argument have they shown that there is a need for this question. Neither have they shown that there is a popular demand. They must do this or their case will fall.

As the First Speaker on the Negative has pointed out it is my purpose this evening to prove that we should not model our Cabinet on that of Great Britain's Cabinet system since it would be impractical. It would be impractical since England's Cabinet system is unwieldy and since the war forced England to Americanize her Cabinet system.

What has made the British Cabinet unwieldy? It rests in the tendency that this system has to increase in size and the fact that the British Cabinet members must consider many matters.

What is the nature of the British Cabinet members? They are principally politicians. They win their place in the Cabinet by virtue of parliamentary attainment and political services. Thus an office in the Cabinet is considered as a distinct political honor. This results in a continuous pressure within Parliament for the creation of some new cabinet office in order that some political aspirant may be satisfied. And the only result is unwieldiness. For instance the Cabinet of Premier Asquith had twenty-one members and that of the coalition Cabinet contained twenty-three. The war necessitated the creation of several more offices until there was a total of twenty-nine. President Lowell has said in regard to this that a cabinet of a score of men cannot meet and agree on a policy as readily as a dozen.

Moreover the members of England's Cabinet must consider many matters which do not directly concern them. They must divide their time between departmental, legislative, and executive work. Hence they are not able to give their entire time to any definite task. This proved disastrous to England in the early years of the great war. It necessitated an entire reconstruction of her Cabinet system. This reconstruction was directly due to the unwieldiness of Great Britain's Cabinet system. This naturally leads me to my second point, viz., that the war forced England to Americanize her system of Cabinet government.

It did this in three ways:

(1) The War Cabinet became principally an executive body.

(2) The War Cabinet abolished the policy of collective responsibility.

(3) The War Cabinet abolished the practice of sitting in the House of Commons.

What do we understand as the personnel of England's War Cabinet? Lloyd George was prime minister with Lord Curzon, Lord Milner, Mr. Arthur Henderson and Mr. Bonar Law as his associates. Of these men Mr. Bonar Law was the only active administrator. Two of the others held no offices and two held offices which required no departmental labor. Thus you can see that this was chiefly an executive body. And in becoming a body of this nature England's Cabinet was Americanizing itself. For the American idea of Cabinet government is to have a body of men who are concerned above all with the execution of the business of the nation.

In the second place the War Cabinet of England abolished the policy of collective responsibility. This is shown under the circumstances in which Mr. Joseph Austen Chamberlain, Secretary of State for India, resigned in 1917. A report on the military operations in Mesopotamia, which had been disastrous, demanded the punishment of someone. The India office was censured. The House voted to refer the charges to a judicial tribunal. Upon this Mr. Chamberlain resigned stating emphatically that he could not remain in an office where his conduct had been censured. But mark you did the members of the War Cabinet and the ministers resign? No. They did not. In other words they abolished the idea of collective responsibility for the American idea of individual responsibility.

Then in the last place the War Cabinet abolished the practice of sitting in the House of Commons. Prior to 1916, we know, it was a rule that every member of the Cabinet should have a seat in the House of Commons and that the Prime Minister when not a peer should be the leader of the lower House. Did this work out with the War Cabinet? No. They did not attend the debates. They ceased to be parliamentarians. They had to absent themselves from Parliament in order to attend to executive matters. Mr. Bonar Law stated the position of the Prime minister in a speech before Parliament when he said in part, "I am perfectly certain of this that in the way in which we are at-

tempting to carry on the business, where we are having Cabinet meetings at least once every day, it would be utterly impossible for one man to attempt to direct the War and at the same time to direct the House of Commons." In other words the war showed England that a too close fusion of the legislative and executive functions was impossible. And in order to remedy this matter the Cabinet became principally an executive body and Lloyd George approached a position akin to that of our President.

Ladies and Gentlemen our case lies before you.

First, we have shown that there is no popular demand for this question. And in all matters of national interest there should be a popular demand. In fact I do not think that there is a person here this evening who would really wish our Cabinet system remodelled on that of Great Britain's unless it be our opponents, if they do.

Second, we have proved that such a remodelling would destroy the present practices of our government and would result in no permanent advantage.

And finally we have pointed out that such a course would be impractical since the British Cabinet system is unwieldy and since the war forced England to Americanize her system.

FIRST NEGATIVE REBUTTAL

Ralph D. Weston, Tufts

Mr. Chairman, Ladies and Gentlemen: Our opponents have still dodged their responsibility as the Affirmative in the debate. They still destroy and refuse to construct. They have not yet shown the need for this question. They must do this. They have not pointed to a popular demand. This is necessary. They have not shown how we are to remodel our ship of state. How would they fit in the British system? They must do this rather than tear down in their argument our system as it is and on the other hand point with high flown oratory to the democracy and efficiency of the British Cabinet system.

We waive the point of democracy. We feel that both governments are democratic. This is so because in the last analysis they are governments of the people and by the people.

They have emphasized the efficiency of the British Cabinet system. Is this true? Can we believe this in the light of the results that the war had on England's cabinet? It had to undergo an entire reconstruction because of its unwieldiness. Right here I should like to read a report of the War Cabinet for 1917 which reads in part as follows:

"The enlarged scope of government activity and consequent creation of several new departments made a cabinet consisting of all the departmental ministers meeting under the chairmanship of the prime minister far too unwieldy for the practical conduct of the war. It was extremely difficult for so large a body to give that resolute central direction which became more imperative the more the population and resources of the nation had to be organized for a single purpose, the defeat of German militarism."

What better testimony would you have of the inefficiency of the British Cabinet system. This required, as I pointed out, because of the war crisis, an entire reconstruction which was a reconstruction of the machinery of the government and not a change in the administration.

Yet, in the last analysis, we should pass our judgment on any government, on the manner in which it has served and satisfied the country. Has our Cabinet system of government served? It has. Has it satisfied? It has. What more do we want? What more do we ask? Certainly it would be impractical for us to remodel our cabinet on a system which has not satisfied and has not served.

FIRST AFFIRMATIVE REBUTTAL

Harry J. Meleski, Clark

Mr. Chairman, Ladies and Gentlemen: The Negative charge us with evading their contention that the Cabinet system will not work and cannot be successfully adopted here. They claim on this point that our arguments have been destructive and that we failed to give any constructive proof that the Cabinet system can be practically applied and prove more than an experiment.

As to this point of impracticability. We maintain that the Cabinet system can be practically applied here for first of all we

have the essential conditions necessary for the operation of cabinet government. We have a strong two-party system, which English experience shows, is the primary factor in the successful working of the Cabinet system. Let us then apply the Cabinet system and put forth a constructive argument that the Negative has called for.

First, the President. Shall we make him a king? No. We wish to take heed of the Negative contention that the Prime minister cannot be the head of the government and an administrative officer at the same time and propose, therefore, that we have an elected President as the ceremonial head of the government free from all Congressional intrigues.

Second, the Senate. The Negative questions what will happen to this venerable body of legislators which has formed a bulwark of righteousness in American politics. We propose to retain the Senate representing each state equally, thereby guaranteeing the same state rights. We propose to make the Senate co-terminous with the House of Representatives and elected at the same time. Under the Cabinet system therefore, the Senate would in most cases be controlled by the same political party since its election is at the same time as that of the House.

It would maintain its constitutional right "to advise and consent;" to advise the President as it did on the League of Nations and to consent as it did in filling government positions with experts during the present crisis.

It would also maintain its rights to check hasty legislation by exercising a suspensive veto. While at the same time it could not under the Cabinet system use its present usurped oligarchical powers to amend bills beyond recognition or purposely to hold up needed legislation, without immediately paying the penalty to the people. Bills would still be independently and sanely discussed without the pressure of partisan politics perverting this function into a debate between reactionaries.

The Senate's suspensive veto could be quickly looked after if it was abused. Provision could be made that it cannot be applied to money bills and that it may be overridden by the House passing bills three times in two years. This arrangement would be fair inasmuch as the House represents more local interests and thus is a truer index of popular will.

The other organs of government, the Premier and the Cabinet I have already carefully outlined in my main speech. Therefore we see that the Cabinet system can be successfully applied here with a few expedient changes. This change in governmental machinery is not a mere experiment. It is working well in England, Australia, New Zealand, and all the democratic countries that have actually copied the British system and have the same essential conditions as we have for its proper functioning.

Furthermore, the Cabinet system can be applied here for we have the same legal system, the people here are of the same temperament as the English, and we do not have to destroy the ship of state so beautifully given by the Negative in the adoption, since the changes are few and entirely feasible.

We are not claiming that our government is undemocratic but that it is not democratic enough. We are claiming that under the separation of powers it cannot be democratic enough, and therefore advocate, I believe, in constructive terms the adoption of a system which will permit the expression and execution of the popular will by a popular and democratic governmental machinery.

SECOND NEGATIVE REBUTTAL

Oswald K. Hammond, Tufts

Mr. Chairman, Ladies and Gentlemen: The burden of proof lies with the Affirmative and to establish their case they must not only prove that there is an urgent need for a remodeling of our government, but they must prove clearly and conclusively that the British system of government is the most successful solution. So far they have offered only a destructive case, attacking our government viciously and devoting only a few brilliant generalities to the support of the proposed change. To establish their case they must offer conclusive constructive proof that the British system will remedy all the alleged evils of our government. They must give us a constructive case.

In attacking our present system they have alleged that the government is isolated from the people and out of reach of their will; that it wanders in a vicious circle and abandons the country

to helplessness. In my main speech I maintained that the branches of government are subject to check by popular will and the Affirmative has not challenged my contention. Furthermore the present American government is responsive to the constructive will of the people. You all remember the beginning of the preparedness campaign in 1915. The suggestion was mocked by the President and jeered by Congress. Two years later the President had just finished a nation-wide campaign for Preparedness, and Congress found itself passing the greatest military and naval supply bills in its history. And this change came without a new election, in response to the universal national will. *The Affirmative can show no instance in British history of such a response by the government to the will of the people.*

They have further assailed our government because it is hopelessly slow in the passage of legislation. Do you realize, Ladies and Gentlemen, that it took the British government one and a half years to establish compulsory military service, while our government machinery did that in less than a month? (We were at war for only a year and a half but in that time our *chaotic, dilatory government by misconception* established a great food conservation system, carried through a gigantic financial burden, built up the second greatest military establishment among the allied powers, made a vast increase in the size of our naval establishment, and put into execution the most tremendous shipbuilding program in the world's history.) In short in that year and a half our governmental failure accomplished more than did the marvelously efficient British Cabinet government in the first three and a half years of the war.

It is evident that the forces of our government are held responsible by our system of constructive checks and balances to the public will, without being hampered by an uncertainty of political life affected by superficial whims and detached local issues. That our government has proved responsive to the desires of the people to a degree which cannot be paralleled in British history, and that it has in time of world crisis been able to meet the demands upon it speedily and effectively. On the other hand the Affirmative has failed to offer a constructive case in support of the British system and until they do they have not fulfilled their burden of proof.

SECOND AFFIRMATIVE REBUTTAL

Joshua Morrison, Clark

Our opponents would have us believe that Great Britain was compelled to reorganize her war cabinet on a basis of separation of powers similar to the American cabinet. That is an absolute misconception. The various departments of the government of Great Britain were placed in the hands of specialized and responsible ministers. The Prime Minister as head of these departments sat in daily session with these departmental heads, watching that no slip-up occur. What happened in this country? We had efficient men from the business world taken into our governmental circles. Each as head of a department worked independently of the other branches. If we had had some degree of co-ordination instead of separation, Mr. Hoover would early have been informed that there was a lack of ships to carry food to our armies in France. We would have discovered in due time the lack of coats for our soldiers in the camps of the north. Gen. Gorgas's plea for better hospital equipment would have been heeded and the lives of many of our boys in the cantonments might have been saved from the influenza epidemic. It is bad enough to lose soldiers at the mouth of the canon, but when we sacrifice them at home because we have neglected to place a little responsibility somewhere, it's high time we investigated the matter.

Our opponents would compare the work of England's preparation for the war with that of the United States. They fail to realize however that all that we were able to accomplish we did because we had had three and a half years to learn from the sacrifices of our allies. We did pass our compulsory service act within one month because the people of America had learned from the belligerents the demands of war.

By citing the Preparedness campaign of 1915 our opponents endeavored to show the responsiveness of our government to the will of the people. If we had had the British Cabinet form of government in the United States at the time there would have been no necessity for the country's waiting two years before the government would respond. Under the British Cabinet system if the people will preparedness the government responds

immediately, or if not, a government that will respond is selected.

The Negative advocates the principle of the separation of powers as a benefit to our government. Ladies and Gentlemen, there can be no such practice as the separation of powers in a government that will work efficiently. Permit me to read an extract from an article by President Wilson in the "Outlook" of April 23, 1919: "The principle of checks and balances which the makers of the Constitution had borrowed from Montesquieu was in the process of breaking down. That principle was based on a natural fear of tyrannical government, and was designed to prevent too much power from accumulating in the hands of any one person or body."

Just one more quotation from page 287 of President Wilson's book on Congressional Government: "It is quite safe to say that were it possible to call together again the members of that wonderful Convention to view the work of their hands in the light of the century that tested it, they would be the first to admit that the only fruit of dividing power had been to make it irresponsible." That, Ladies and Gentlemen is the opinion of the President of the United States.

Our government has succeeded, the Negative claims. Can we help but question that statement when we recall the conditions of our soldiers in the camps during the past winter? When we think of the Aircraft Scandal, of the Chamberlain investigation, and of our "efficient" Postal head?

We succeeded in this war for the same reason that our country has grown from the Atlantic to the Pacific. We succeeded because of our enormous resources. We are like a child overflowing with vitality and foolishly wasting it.

We succeeded not because of our government but in spite of our government. New York is the greatest metropolis in the country but it did not develop because of its government. New York with its most corrupt political organization controlled by Tammany has grown to its present position not because of its government, I repeat, in spite of its government. Philadelphia with its ill-famed "Gas Ring" has also grown to be one of our greatest cities, and that too in spite of its government. Likewise our country has grown and we have succeeded in this war

because of our enormous wealth and not because of our governmental organization.

THIRD NEGATIVE REBUTTAL

David Crockett, Tufts

One of the speakers of the Affirmative said the Presidential system does not rise to the occasion. Did not the Presidential system rise to the occasion in the Civil War, when we fought and won the greatest civil war of all history? Did it not rise to the occasion in 1903, when President Roosevelt solved the great coal strike? In 1916 when a threatened national railroad strike was averted by the passage inside of a week of the famous Adamson law? In the present war, which we won in a year and a half whereas the other Allies had been fighting for three years?

The Affirmative argument has been entirely destructive, but they have not proved that the English system would remedy these defects they claim in our system.

Furthermore, they have not answered satisfactorily our three questions. They say that the President will continue to be the ceremonial head of the government. Now, Ladies and Gentlemen, is that your conception of the position of the President today? Would you have the position of the President merely like that of the President of France? In respect to the responsibility of the Cabinet, the Gentlemen of the Affirmative say the primary control should be in the House of Representatives. They say the Senate should be shorn of its oligarchical powers and retain its position as advisor; as a check upon legislation. Yet the Affirmative forgets that unlike the House of Lords, the Senate exerts equal power in exacting legislation with the lower house. In other words, the Affirmative would leave the Senate in the lurch. What would the Senior Senator from Massachusetts say to such arguments, if he were here this evening?

On the other hand, Ladies and Gentlemen, We of the Negative have shown that this change should not be adopted because there is no popular demand for this change, and in every great question of such national importance popular demand should be considered; in this period of reconstruction it would be unwise for us to experiment with our form of government; the intro-

duction of the British system of government would be contrary to our traditions; and finally the English system is impracticable since it is unwieldy; and how can we be expected to adopt the English system when the English were forced by the war crisis to Americanize their own system to win the war with Germany?

THIRD AFFIRMATIVE REBUTTAL

John G. McGovern, Clark

Ladies and Gentlemen: The Gentlemen of the Negative have failed to meet us upon the fundamental proposition at issue.

We are here, not to discuss the conduct of the war in England or America, not to amuse ourselves in the discussion of the affairs of the day, but to debate the very practical question as to the relative merits of the Presidential and Parliamentary systems of government. The Affirmative has faced and met these issues; the Negative has not.

Briefly their case is as follows: that our arguments are destructive, that our nation has successfully met each great crisis in its history, that the cabinet system is contrary to our traditions, and finally, that there is no popular demand for a Cabinet System in America. A poor case indeed, but, a case nevertheless.

Each and every one of these points has been met by the Affirmative and supported by overwhelming evidence. But, for the satisfaction of the Negative, I shall review them again.

They charge that our case is "destructive"—the cry of every lost cause. Is not intelligent and needed reform constructive? Is not the removal of abuses constructive—abuses that defeat the primary purpose of our political institutions? (We have shown that our system was based on a misconception—the "separation of powers." In the same sentence we have offered the "fusion of powers" as a corrective for the error. We have shown how inefficiency makes for lack of leadership for irresponsibility and how all are traceable to the separation of the executive and legislative powers. Furthermore, we have shown that through the adoption of a Cabinet system these evils may be removed. It is idle to go further. In not a single case have we failed to supply a remedy for defect revealed. So much for "constructive criticism."

The first argument failing, they turn to another—another more fallacious than the first. Our government, they declare, has successfully met each great crisis in its history. I ask them, did the government meet each crisis or did the people meet them in spite of their government? The present war is an eloquent illustration of my point. The Negative would do well to consider it.

Our success has been the blessing of good fortune, of able leadership. In the Civil War we found Lincoln. But, Lincoln, like Wilson today, emerged mysteriously, a product of his times, not of a system. The system might have given us a James Buchanan in 1861 or a Clark or William J. Bryan in 1917. Fortunately for us, great times have produced great men. But the fortune of the past is no assurance for the future. Assurance may be had only through preparation. Under a Cabinet system in 1918 America would have found, not Wilson alone, but Taft, Hughes, Roosevelt and all great national political leaders at the head of affairs at the seat of government.

If the previous arguments have had little weight the third argument has less. To say that a Cabinet system would not be in harmony with American traditions is a serious reflection upon the preparation of the Negative. It is due, of course, to a failure to distinguish between essentials and non-essentials in our political traditions. True, a Cabinet system would not be in harmony with the idea of the "separation of powers"; but, this idea is not necessarily a fundamental in our institutions. It was set up not as an end in itself, but rather as a means to an end—democracy. But the method has not worked, the machinery has been found wanting. Such being the case, is it not sanity and in accord with the principles of progress to remove a "means" which has not achieved its "end" in favor of one designed to do so? What America wants is not methods. Methods are only "means." She wants political democracy. How she gets it is a secondary consideration. If, therefore, we have proved that a Cabinet system affords a greater degree of efficiency and political democracy we have carried our point—carried it easily. This argument of the Negative, like the rest, is an "empty bag."

And now for their last argument—"no popular demand." This argument is their last and only hope. If we strike this, we strike the heel of Achilles.

Ladies and Gentlemen, the demand for a change in our governmental institutions was never more imperative, more universal, or more ominous for the forces of law and orderly life. The rapid spread of agitation, of unrest and revolution throughout the world today is traceable primarily to lack of leadership and organization; because we are without men with that power and vision to make adjustment to the needs of changing times. Our industrial institutions are in one age, our political institutions in another. Unless government in the future expresses the voice of the times it is doomed to decline and fall.

An unrest is not confined to Europe. Everywhere in America from pulpit, platform and press is raised the cry for reform; the demand for a system of government suited to the needs of the times—a government, liberal, organic, democratic and progressive—a government that will continually readjust itself to ever changing conditions. I repeat, Ladies and Gentlemen, in the face of changing times, in the dawn of a new era, the demand for reform was never more imperative, never more instant and universal.

Having disposed of the questions of the Negative may we not also put a few questions? If the fundamental issues of the debate have to do with the relative merits of the Parliamentary and Presidential systems is it not reasonable to declare that the Negative must not only defend the American system against our attack but at the same time prove that the British system is inferior. They have done neither one nor the other. We have attacked the evils of the "separation of powers" and have offered a remedy in the "fusion of powers." We have proved the theory upon which our government is based to be unsound; we have proved our system to be inefficient, unprogressive, irresponsible and undemocratic; we have proved, further, that these defects are in every case, traceable to the "separation of powers." In not a single instance has the Negative attempted to reply. They have avoided battle in the open; they have avoided the facts in the case and have contented themselves with an interesting but irrelevant discussion of the topics of the times. The conclusion is obvious. The Negative stands now where it stood at the opening of the debate. Ladies and Gentlemen, it is unnecessary to go further. The case is clear. The Gentlemen of Negative have failed to meet us upon the fundamental propositions at issue.

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CHAPTER II

GOVERNMENT OWNERSHIP OF
RAILROADS

COLGATE UNIVERSITY

versus

DARTMOUTH COLLEGE

RESOLVED, *That after twenty-one months, the United States should own and operate the railroads of the country.*

This is a report of the debate between an Affirmative team representing Colgate University and a Negative team representing Dartmouth College, delivered in Albany, New York, April 11, 1919. The decision was two to one in favor of Colgate University.

The bibliography has been contributed by Mr. Lionel D. Edie, of the Department of Rhetoric and Public Speaking, Colgate University, and has been revised by Miss Julia E. Johnsen. The briefs have been made by the Editor of this volume.

BRIEF

GOVERNMENT OWNERSHIP OF RAILROADS

AFFIRMATIVE

Introduction :

- A. Now that the first mile-stone has been passed in the control of railroads by the government, it is time to ask whether or not this method of control should be continued.
- B. Government control has been successful.
 - 1. It was efficient.
 - a. The freight-car paralysis existing when the government took over the roads, was relieved.
 - b. More food was shipped to our Allies than ever before.
 - 2. It displayed a sense of responsibility to the people.
 - a. To relieve the coal shortage more tons were shipped than ever before.
 - 3. It was economical.
 - a. The out-put of repaired equipment and rolling stock was doubled.
 - b. Trains were re-routed and circuitous routes straightened to cut down unnecessary mileage.
 - c. Terminal expenses were reduced by pooling of railroad properties under a common management.
 - d. A new and simpler accounting system was instituted.
 - 4. All this was accomplished in spite of bad weather which threatened to cripple the service, shortage of coal, unprecedented demands for food and supplies for our armies and Allies in Europe, and constantly-increasing costs.

5. Rates were not increased in anything like the amount that expenses increased, and not until six months after other expenses had begun to double.

C. The Affirmative suggest, therefore,

1. That the government should operate the railroads by continuing the present Railroad administration in power.
2. That the government should secure the ownership of the roads by the exchange of government bonds for railroad securities.

I. Government ownership of railroads is the only system that can bring about a right attitude among the roads.

A. Private ownership fosters a definite, inevitable, antagonistic spirit between the roads and the boards of regulation.

1. The railroads regard all forms of government regulation as methods of oppression.
2. The regulating boards tend to treat the railroads with suspicion and distrust.

II. Only government ownership can secure the unification of the railroads which is admitted by all as fundamentally necessary.

A. Private ownership neither secured it in the past nor desires it for the future.

B. Under government control the railroads were united.

III. Government ownership will be economical.

A. The government can secure capital at a lower rate of interest than private concerns are able to.

1. This would represent a saving in interest alone of about \$600,000 annually.

IV. Government ownership is the only permanent and fundamental solution of the railroad problem.

A. The railroad problem today affects vitally every citizen of this country; whether as stockholders, employee, or consumer.

- B. The railroads should not be run primarily for profit, but to serve the people.
 - 1. This purpose can only be achieved by government ownership.
- C. To turn the railroads back to their private owners is sure to cause trouble.
 - 1. Railroad employees have placed themselves on record as opposed to the return of the roads to private ownership.
- D. Government ownership will reconcile the interests of the employer, the employee and the public.

NEGATIVE

- I. The privately-owned railroads of the United States have been successful and have adequately served the public.
 - A. According to railroad statistics and experts, American railways were the most efficient in the world.
 - 1. The rates were lower than anywhere else.
 - 2. Wages and taxes were higher.
 - 3. The service was better and cheaper.
 - B. Private ownership was not responsible for the apparent failure of the railroads to take care of the needs of the country in war-time.
 - 1. The railroads were not prepared for war.
 - a. Other industries were in similar plight.
 - 2. The railroads are to be commended for what they accomplished in the way of coordination, and in the increase of traffic, in spite of their inability to get needed supplies.
 - 3. The defects in our present system are due not to private ownership but to the hampering regulations under which the railroads are run.
 - a. Railroads are regulated by two federal agencies, forty-eight state legislatures, ninety-four state agencies and sixty-four state commissions.
 - b. The government found it necessary to disregard these regulations when it took over the roads.

- II. Government control has resulted only in inefficiency and deterioration.
 - A. More miles of railroad were destroyed than were laid.
 - B. Some of the railroad systems were run at a loss.
 - C. The service was extremely unsatisfactory.
 - D. This same lack of efficiency has been displayed in every country where the government owns and operates the transportation system.

- III. The federal government was established for legislative and judicial purposes and not as a business concern.
 - A. The government cannot secure efficient executives.
 - i. There is no inducement of high salaries to attract them.
 - B. Strikes exist under government ownership as much as under private ownership.
 - C. The morale of the employees is not as good as under-private management. There is no incentive to do good work.

- IV. Government ownership will throw an ever-increasing financial burden upon the country.
 - A. To take over the roads means to increase our national debt by about twenty million dollars.
 - i. This means an increase in taxes.
 - B. There will be an ever-increasing cost of operation which will fall upon the people in the shape of higher rates or increased taxes.
 - i. It is common knowledge that the government always pays more for work done than a private industry.

- V. Government ownership would produce serious political evils.
 - A. Railroad employees would become government employees and since they represent about one-tenth of the voting population, would be able to influence legislation in their favor.
 - i. This would give unexampled opportunities for graft and corruption.

- B. Our government is not adapted to the taking over of such a huge industry.
 - 1. We are too democratic.
 - 2. Congress is too cumbersome and slow-moving to handle the business effectively.
 - a. Its administrative legislation so far has not only been a failure but is vicious.
 - b. It is too slow to act.
 - c. Business necessities would be sacrificed for political ambitions.
- VI. Many of the evils of our former system can be remedied by improving the methods of regulation.
 - A. All railroads should be chartered by the federal government and be responsible only to Washington.
 - 1. This would eliminate conflicting control.
 - B. There will be an ever-increasing cost of operation which with the heads of the sectional railroad divisions, would relieve the Interstate Commerce Committee of its executive duties, and would have charge of rate regulation, subject to the approval of the Interstate Commerce Commission.
 - 1. This would harmonize the railroads with the government.
 - C. Railroads should be pooled into several large divisions each with a government official as supervisor, responsible to the Secretary of Transportation.

GOVERNMENT OWNERSHIP OF RAILROADS

COLGATE UNIVERSITY

versus

DARTMOUTH COLLEGE

FIRST AFFIRMATIVE

Frederick Albert Piotrow, Colgate

We have passed the first milestone of government control of the railroads and the time has come to decide on the basis of this experiment, whether or not we want to continue this system, whether or not we want to go forward or backward. In making this decision let us ask, what has the government succeeded in doing; what has it accomplished; what are the facts of its record?

Ladies and Gentlemen, the government accomplished what was well-nigh impossible. The government found paralysis beyond belief with 145,000 desperately-needed freight cars tied up in the eastern terminals. The government's first accomplishment was to release them and set the roads in motion. The government, met with the cry for food from the armies of our Allies, shipped to the eastern harbors several million more tons of food than ever before. This was efficiency. The government with the end in view of preventing another clogging of industry from the dearth of coal, transported to the northeast several million more tons of coal than ever before. This was a sense of responsibility to the people. Wherever the government turned it organized and organized for the good of the people. The government doubled the output of repaired equipment and rolling-stock. This was coordination and unity. The government found trains running in roundabout circuits, 200, 400, sometimes as many as 800 miles farther than necessary and rerouted them on the principle that a straight line is the shortest route between two points.

This was unequalled railroading and unexcelled economy. The government has been able to reduce terminal expenses by one-half by the pooling of railroad properties under a common organization. The play of the imagination cannot begin to conceive of the far-reaching savings that have thus been established.

The government finding old-fashioned accounting systems in use built up a new system that is simple and economical. The government instituted wholesale reforms in every department, reforms that prevented coal wastage by the railroads, that doubled the efficiency of the repair shops, that consolidated ticket offices, that did away with extravagant and unnecessary advertising, that dispensed with corporation lawyers, that made impossible car shortages, and so on to the limitless number of reforms that have served the people and given better transportation. The government found deadly, archaic competition at every turn, and slashing out wastes and inefficiencies on every hand, brought about economies amounting to \$150,000,000.

Ladies and Gentlemen, the government was faced with a great national problem in the midst of the greatest national crisis that ever confronted it; it was obligated with the responsibility of answering the frantic appeals from the battling millions for food and fire-arms. Today as we look back over the winter and spring of 1918 when sweeping blizzards and storms piled the roads high with snow, when the shortage of coal severely threatened to tie up industry, and when the avalanche of German hordes nearly crumpled our lines, then was the time when the railroads of this country met the situation with its staggering burdens, overcame the tremendous handicaps, and made victory possible for the Allies.

But, Ladies and Gentlemen, utterly ignoring this constructive program of reform, saving and efficiency, newspaper writers have had just one thing uppermost in their minds, Was there or was there not a deficiency? Their whole attitude toward the so-called financial loss has been one of destructive fault-finding based upon a skin-deep investigation of circumstances. The Affirmative cannot do better than to give you the true facts of the case and leave them for your judgment. Operating expenses of a size undreamed of have plunged the railroads into untold burdens of difficulties. Every item has jumped by leaps and

bounds. The employees alone received an increase of \$900,000, 000 in one big lump to enable them to meet living expenses with a fair, living wage. True, rates were increased but not until six months after the other expenses had commenced doubling. Let me repeat, Ladies and Gentlemen, *rates were increased but not until six months after the expenses went doubling and leaping.* Secretary McAdoo himself has stated that while expenses increased fifty percent rates were increased only twenty-five percent; and that if rates had been increased six months earlier today the railroads would have a profit of \$100,000,000. One might just as well blame the democratic administration for poor crops as to blame the railroad administration for the deficit. It was not the fault of the government nor of mismanagement; it was the fault of the war. It was inevitable; it would have occurred under any conditions so long as the war had to be won. The government had to overcome terrific handicaps which existed because of the despair to which private owners had been driven. These handicaps involved tremendous costs. They forced upon the government a huge expense which was clearly due to the failure of the old private operation of the roads. The old private system gave the government on which to build, a foundation of sand, of the worst demoralization, congestion, and confusion ever experienced in the history of railroading. It brought about a situation that had to be retrieved instantly. There was no time for delay. Action had to be immediate. Results, even at a loss, had to be secured. Had it not been for this condition the government in spite of all handicaps would even then have had no deficit. In the last analysis the deficiency is due to the war and the failure of the private roads and not to the failure of government management.

This then is the record of government control for one year. Despite the buffetings of war; the frightfulness of weather conditions, the government pulled the railroads thru every trying situation and met successfully every test. With this record behind us we place before you our plan for the future of the roads. This plan is simple and brief, containing only two items: first, that the government should operate the railroads by continuing in power the present form of railroad administration; second, that the government should secure the ownership of the roads

by the exchange of government bonds for railroad securities; a plan that involves no dangers, or difficulties.

Before I close, however, I want to mention one more point. Undoubtedly a large percentage of the people in this audience tonight are vitally affected by income on railroad securities. You represent the investors of America. So from your point of view, this question which I am going to ask the first speaker of the Negative to answer is of vital importance: Does the Negative insist that the railroads should be guaranteed a certain rate of income on railroad securities; does the Negative demand that the investors shall receive a fixed income on their securities or leave them in the future as in the past to the mercy and whim of corporation magnates?

FIRST NEGATIVE

Herman Wilson Newell, Dartmouth

Mr. Chairman, Ladies and Gentlemen: The Negative bases its case on three contentions, that (1) the privately owned railroads of the United States have been successful and adequate, (2) government-owned railroads will not meet the vital transportation needs of the country but will deteriorate the service, and (3) government ownership will necessarily introduce grave political evils and corruptions, inefficiency, waste and graft.

And it is my privilege to point out some of the salient features of our privately owned railroads which are conclusive evidence that they have not been a failure in any sense of the word, but a decided success, and furthermore if there have been any shortcomings in the system, or any seeming lack of ability to cope with the needs of the country, that it has been due not to any inherent fault in the system of private ownership but to the increasingly stringent and unwise government regulation under which the railroads have been laboring for the last thirty years.

I ask you fairmindedly, Ladies and Gentlemen, if you consider our private owned railroads a failure when you stop to think (and these are facts), when you stop to think that the best available records and authorities say that the railroads of the United States are the most efficient in the world, are operated at the cheapest rates in the world, pay the highest wages and the

highest taxes of any railroads in the world, and the excellence of the Pullman and dining car service, the speed of the trains, and remarkable accommodations are to be equaled in no other country in the world. These are the outstanding features and characteristics of our system and have been made possible only by the efficiency and resourcefulness of the private owners. That our railroads have given us the cheapest service in the world is proved by the statistics which show that the average income per ton mile in England to be $2\frac{1}{4}$ c, of Germany $1\frac{1}{2}$ c, of France slightly over 1c, and of the U.S. only 7c. Many of our shippers have gone so far as to say that the railroads were carrying goods at rates which were entirely too low to give sufficient remuneration for their services.

Furthermore, the Affirmative cannot point to the crisis of 1916 and 1917 and magnify a stringency or slight congestion here and there to draw the conclusion that our railroads broke down and collapsed, necessitating their being taken over by the government.

We all know that the railroads were not prepared for war any more than was the government, and that a great preponderance of traffic was thrown upon them in a flash. We also remember a slight congestion in certain places, but again the real facts of the case coupled with common-sense reasoning are against the gentlemen of the Affirmative. For was this a breakdown in the railroads any more than the inability of the cotton mills to furnish all the cotton goods wanted, the steel mills to furnish all the steel products wanted, the ship yards to supply all the ships needed, and the munitions plants to furnish all the munitions wanted was a breakdown in the industries? I leave the answer to your own good judgment. The facts are that this was a time of unforeseen crisis, a time of industrial disturbance, and all industries had more work to do than they could handle.

But when we think of what the railroads really did they are to be highly commended. When they were put under the war board of five men at the beginning of the war, 631 railroads coordinated to serve the government as completely as if the government had owned them. In not a single instance was an order or request of the war board disobeyed. By intensive loading methods they increased by five per cent the amount put into each

freight car; they increased the ton miles per month per locomotive sixteen per cent, and per freight car forty-two per cent. Mr. Hall, Chairman of the Interstate Commerce Commission, said, himself, that the private managers brought about as near perfect coordination as possible under the unfavorable circumstances, and that they increased their traffic in 1916 twenty per cent over 1915 and in 1917 fifty per cent over 1915. When compared with the traffic of other countries we can better comprehend the enormous increases under private management. Continuing at the rate at which they were working, the increase in ton mileage for 1917 over 1915 was 135 billion and this increase alone is equal to the entire freight traffic handled by Canada, Great Britain, Germany, Russia, France and Austria-Hungary. All this was done in the face of the fact that they could not have their orders for locomotives filled because the government was sending them to Russia and France, and could not get all the steel wanted because the government was taking it all for other purposes.

Furthermore we know that when the government took over the roads in 1917, it used the same physical properties, facilities and equipment, and same operating personnel as was employed by the private managers. All the government did was to cast aside those hampering, restricting regulations under which the private managers had been working and run them as a unified system. This is conclusive evidence that if there was any fault in the railroad system as it existed, if there were any defects in it whatsoever, they were not in the railroads themselves, either physical properties or personnel, but in the too stringent regulations which the Government deemed necessary to disregard.

Most people do not realize that at the outbreak of the war the railroads were regulated by two federal agencies, Congress and the Interstate Commerce Commission, forty-eight state legislatures, ninety-four state agencies, and sixty-four state commissions. Bound hand and foot, it is surprising that they could handle the greatly augmented traffic as well as they did. The facts of the case are that peacetime regulations did not function properly in war time, and the quickest and most rational solution for the problem in the crisis of 1917 was for the government to take over the roads and disregard these regulations.

Now that we see wherein the fault lay, that it was not in the railroads themselves, but in the unwise and untimely regulations, we would revise these regulations to meet the needs of the times, and leave the roads in the sound and safe hands of their private owners who have built them up from infancy to their present state of 20th century efficiency and worldwide superiority.

In conclusion, Ladies and Gentlemen, I believe you will agree with me, now that you see the real facts of the case, that our railroads under private management did not break down in the crisis of 1917, that they have not failed in any respect, but that they handled the traffic admirably, making themselves worthy of the position they hold as the greatest railroads in the world.

Since the whole case of the Affirmative must necessarily rest on the inadequacy of our privately owned railroads, these facts alone are sufficient to prove our case, but my colleagues will point out to you wherein government ownership will deteriorate the service of our railroads, and will furthermore introduce abominable political corruption and wasteful inefficiency.

SECOND AFFIRMATIVE

Thomas J. Connor, Colgate

The first speaker of the Affirmative has clearly pointed out to you the success attained by the government in the operation of the railroads during the past year. He has pointed out facts definite and tangible which point to one conclusion and reach one result and that is if the government had not taken over the roads when it did this war would not have ended in so satisfactory a manner for us who love liberty and freedom. He has told you how the government will come into the real ownership of the roads by exchanging government bonds for private securities. Government ownership is the only system other than private ownership but private ownership has failed absolutely in the past.

Government ownership is the only system which can bring about the right attitude among the roads. Private ownership fosters a definite, inevitable, antagonistic spirit between the roads and the boards of regulation. The roads consider all forms of government regulation and the Inter-state Commerce

Commission to be boards of oppression which rule the roads with an iron hand and will not treat the railroads fairly and squarely. On the other hand the regulating boards treat the roads with suspicion and distrust. Too many times has the Inter-state Commerce Commission experienced the skillful actions of the railroads in juggling their figures to escape taxes, in over-capitalization and watering their stock. Thus as a result of the private ownership system we have two antagonistic attitudes held; the one by the railroads that regulating boards are unfair and are simply a means of oppressing the roads and the other held by the regulating boards that the railroads must be watched constantly thus breeding suspicion and distrust. Government ownership will wipe out this feeling of oppression, distrust and suspicion and the right attitude will be secured. The right attitude must be secured for it is the one and only beginning place and the pivotal point from which we must work in order to secure the solution of the railroad problem. Private ownership has failed to bring about this correct attitude. Government ownership can not fail to secure it.

In securing the correct attitude among the roads, we have taken the first great step in securing the fundamental factor of unification. It is a fact admitted by both sides of the question that the unification of the roads must be obtained. The question is whether private ownership can bring about this unification as well as government ownership. Ex-Director General McAdoo says that under private ownership unification of the roads has not been found possible. That selfish interests and competition will not permit one road to give business to another. Director General Hines says that any thoughts of unification without government ownership are simply illusory and will not work out. Senator Cummings, leading figure in the Senate Committee on Inter-state Commerce takes this stand, that unification is not possible without government ownership. This then is the opinion of the world's greatest experts on railroad affairs and the very backbone of their statement is that unification can not be obtained under private ownership but only when the government takes over the roads. And when the Gentlemen of the Negative claim that this factor of unification can be secured under their system of private ownership they must do so in the

face of the evidence produced by Mr. McAdoo, Mr. Hines and Senator Cummings. The roads under private ownership do not wish unification. New York, Chicago, Pittsburg and other large cities were urged and pleaded with to unite their lines and terminals and in the face of irresistible evidence that it would be the best plan hurled back a flat refusal in the face of the government. Such then is the opinion of the railroads on the factor of unification. Under private ownership lines run parallel to each other, neither filled to capacity, cars are needed in one place, jammed and stampeded in another, and freight sent around gaps which according to Ex-director General McAdoo resulted in an increase of seventeen million freight miles. The railroads do not wish to unite their lines or to connect their terminals for in doing so they would cut off millions of freight miles which had heretofore yielded them a fat revenue. But under government ownership and operation, terminals were united, parallel lines were used as double tracks, cars sent where they were needed, and freight sent around the shortest routes. Thus when we look over the pages of the history of the roads under private ownership we find that unification was not secured in the past and when we look at the condition of the roads two years ago we find that the railroads do not wish unification in the future. But under government ownership the great network of railroads in United States were completely united. Private ownership fosters competition and according to Francis H. Sisson, Vice-president of the Guaranty Trust Company and a man who knows industrial, economic and social affairs as no other man does, competition is the direct antithesis of unification. By that he meant that unification and competition can not exist side by side; that one or the other must go. So we see that private ownership cannot possibly bring about unification even if it should desire to do so. The present trial of government ownership has proved beyond the shadow of a doubt that government ownership is the one and only system which can bring about a complete unification of the railroad lines of America.

Thus far I have shown that the right attitude among the roads has not been brought about by private ownership and that government ownership obtained this correct attitude in a very short time. Also that the only system which can bring about the

unification of the lines is the government ownership system which is the opinion of the leading experts on railroad affairs.

Every business man knows that in order to secure capital one must pay a definite rate of interest and that this rate is determined by the chances, by the hazard and risk involved. It is also an admitted fact that enterprises which have behind them only the private incentive and initiative of some individual contain a greater amount of risk and chance than the enterprises which have behind them the backing of the United States government. So it is that the government will be able to get capital two and three per cent cheaper than private concerns, which difference alone will amount to \$600,000 every year and according to Samuel Untermeyer, General counsel for the National Securities Holders' Association, a man who knows business conditions from A to Z, this difference alone would pay for the railroads in twenty-five years. At the very time the government was floating billions of liberty bonds at three and a half and four per cent private concerns were forced to pay seven per cent and eight per cent. No matter what light the Gentlemen may put on this fact, this fact must stand that the government is in a position to obtain capital at a cheaper rate of interest than private concerns. This would represent a saving which alone would pay for the roads in twenty-five years.

In the first place I have shown that government ownership is the only system which can bring about the right attitude among the roads, that private ownership has failed to bring it about in the past, that the fundamental, vital factor of unification can only be secured by government ownership, and that private ownership neither accomplished it in the past nor wishes it for the future. Lastly that the government can secure capital at a cheaper rate of interest than private concerns which fact alone would represent a difference of \$600,000 annually.

SECOND NEGATIVE

• Harold Eisman Bernkopf, Dartmouth

Mr. Chairman, Ladies and Gentlemen: The Gentlemen from Colgate have based their entire case for government ownership of the transportation system in this country, on the performance

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of the government during the past fifteen months during which time it has had control; they have claimed that since this period of control has been a success, government ownership will naturally follow as a panacea for all the evils that exist today. If, therefore, we can show you that government control has been a failure, we have, from the very arguments of our opponents, shown you that government ownership will not give this country adequate, uninterrupted, and efficient service;—that government ownership is not desirable. We will meet the Gentlemen on this point, and will show that the past fifteen months have brought only inefficiency and deterioration.

To see that the government is not capable of handling our transportation system, we have only to look back at this period of control, which our opponents commend; we see that both the quality and quantity of the service has deteriorated. We find that the government tore up more miles of railroad than it laid. We find that certain railroad systems, such as the Pennsylvania, have been run at a loss although they always made a profit under private ownership. We find that the government lost over \$400,000,000 in a single year. If these were all, at least we would be justified in entertaining a strong suspicion that all was not well. But this is but a mere beginning of the list of charges that the Railroad Administration has been unable to answer.

We might not be quite fair to expect the government to give us the best service in war times, but surely we can not be called unfair when we demand efficiency. We find, however, that even this most necessary business requisite was lacking. The Gentlemen of the Affirmative have complained of a car shortage during the winter of 1917; but what did we see. The government ordered only 100,000 freight cars, a little more than one half of what the private corporations purchase in normal years. And of this 100,000, only one tenth have been delivered. It is known that operating expenses increased \$800,000,000 although the increase in freight handled and passengers transported was negligible. Mr. Samuel O. Dunn of the "Railway Age," is responsible for the statement that the work on the maintenance of way suffered because the maintenance officers were given no authority to proceed with their work. The government also failed to place

an order for new rails, although it was 800,000 tons deficient on the year.

The above are only some of the more salient features that have cropped up in the last year and a quarter to show that our government is not capable of handling the railroad situation. With an array of facts such as these, and with the common knowledge of the poorer freight and passenger service tendered by the government, how can the Gentlemen from Colgate base their case on government control and maintain that it has been an unqualified success? Knowing as we do, the efficient manner which was characteristic of private enterprise before the war, any comparison is bound to be odious.

We have here, then, a formidable array of facts gleaned from the daily papers, from "The Railway Age," from government reports, and from common knowledge—an indictment of the railroads under operation, which shows that they were inefficiently managed and operated. But as if this were not enough we shall go further, and show that in every foreign country where the government owns and operates the transportation system this same lack of efficient service has been manifest. Duplication of roads, higher rates, labor troubles, political manipulation, and increased cost of operation have been the tendency in Australia, in Belgium, in Canada, in France, in Italy, in New Zealand, in Switzerland. The salient feature about all these countries is that when compared with private ownership *before* the period of government operation, the latter has been detrimental and in many cases ruinous. Let the Gentlemen from Colgate point out—with authority—one country in which government ownership has been a success commercially. Until they do, they admit, as they must admit, that, wherever tried, government ownership has been a failure. Democratic, autocratic—all governments have shown the same fatal tendency.

It is needless to point out to you, Ladies and Gentlemen, that our federal government was established for legislative and judicial purposes, and not as a business concern to undertake commercial enterprises. It is well known that the government has never been able to procure the services of efficient executives for those commercial enterprises which they must run. Behold Mr. Burleson, one of the most inefficient business men in the

country, at present undertaking a systematic deterioration of the telephone and telegraph lines. Behold Mr. Baker, admittedly incapable as Secretary of War.

It is an undeniable fact that there is no incentive to big business under government ownership; there is no lure of high salaries without which it is impossible to secure big men. No better proof of this is needed than in the very Railroad Administration itself. Immediately after the signing of the armistice, Director-General McAdoo resigned; he was followed in turn by the Director of Operations, the next most important position; these resignations only to be followed by those of the Director of Capital Expenditure and the Director of Inland Waterways. Is it not evident in the light of these facts that the government cannot retain the services of efficient executives?

But a derth of capable business men will not be the only handicap nor even the most important, for there are bound to be labor troubles. I would call your attention to the proposed strike on the telephone lines in New England, which threatens to tie up completely all means of communication by wire. I would point out the strike in England today on her railroad system, which is seriously crippled. And yet our opponents maintain that under government ownership strikes would be impossible. And then there is the question of morale under government ownership; we quote Mr. Samuel O. Dunn once more as authority for our statement that since the government took over the railroads in this country the morale of the employees has decreased appreciably. The reason is obvious; namely that under government operation there is no incentive to do good work. No one has ever heard of a postman becoming Postmaster-General; but, on the other hand, there are countless cases, where employees have ridden from the ranks of the transportation industry until they occupy the most important positions.

On the foregoing facts, we base our argument that under government ownership, the country would not receive as good service as under private management. Epitomized they are as follows: Under government control the past fifteen months, the service upon the railroads throughout the country has deteriorated instead of improved; in foreign countries government ownership has been a complete failure; our form of government is

not adapted to big business; efficient managers cannot be procured by the government; and the morale of the rank and file of the employees will be weakened.

Let us now turn to a consideration of a new point; namely that government ownership will throw an ever increasing financial burden upon the country. The roads today are worth approximately twenty billion dollars, a sum equivalent to our entire national debt. To change the title of the roads means to double the national debt; to double the national debt means an increase in taxation. With the government taking seventy-seven per cent of some incomes now, just how much more are the people going to stand? And this increase with poorer service!

And then we cannot ignore the increasing cost of operation, which will fall upon the shoulders of the public in the form of higher rates or increased taxes. Is it necessary to point out the billion dollar wage increase of 1918; or the fact that the railway shop employees are demanding another 25 per cent, which the railroad administration has granted this very day? Lack of time prevents me from pointing out other facts about the increase in cost under government operation; but it is common knowledge that the government always pays more for work done than a private industry.

In summary, then, we see that under government ownership, the service on the railroad systems would deteriorate, and that there will be an ever-increasing financial burden placed upon the public. In the light of these facts, how can the Gentlemen from Colgate foist anything on the public that will not give us as good as we already have, and that will add to the country's burdens, insurmountable others? But these are not all! My colleague will show other evils, which do not exist today. From this it is evident that Congress should not pass legislation within the next 21 months providing for government ownership and operation of our entire transportation system.

THIRD AFFIRMATIVE

William A. Miller, Jr., Colgate

Mr. Chairman, Ladies and Gentlemen: The Affirmative has shown thus far that government operation has been in the main

a success, that there is no other agency that can do as well as the Government and it is our purpose now to show that government ownership and operation of the railroads will give us the only permanent and fundamental solution to this railroad problem.

In order to understand this question clearly we must look at it from the very inside and must not gaze merely at the surface. We must not merely engage in a controversy over a monetary issue. We must not merely consider this problem from the practical light of business efficiency. We are willing to meet the Gentlemen from Dartmouth on this business issue and we are willing to discuss whether or not our proposition is a wise or unwise business policy. We maintain, however, that there are some things of greater importance than mere mercenary issues and it is with this attitude in mind that Colgate is discussing the question to-night. This is the most important domestic problem before the American people to-day. It involves issues which underlie the very stability of our government.

In the last three decades the railroads of the nation have reached a place of highest importance in the domestic life of the nation. As far as importance is concerned they are in a class by themselves. There is scarcely a citizen of this nation to-day who is not vitally interested in the railroad question. Every one of the hundreds of thousands of stockholders, everyone of the millions of employees and everyone of the millions who daily use the roads will be greatly concerned and vitally affected by any railroad legislation.

When we think of the great crisis caused by the threatened strike of 1916, which if it had happened, would have crippled the nation worse than any other possible calamity, when we think that it was absolutely necessary for the government to step in and pass the Adamson Law which gave to the strikers their demands in order to prevent a calamity worse than famine, when we think of the cases where these private corporations have used their money and influence to buy legislation and to prejudice judicial decisions, when we think of the times when great cities have actually looked starvation in the face for days and days because of railroad conflicts, when we think of the fact that in 1916 there were 82 railroads which went into the hands of re-

ceivers at a loss of over two billion dollars and when we see the defiant attitude of the different factions in this railroad conflict—when we think of all these things we must come to the final conclusion that there is something greatly and inherently wrong with the system of private ownership of the railroads of this country.

We realize that the roads have been built up to a large degree by private initiative and private capital and we believe that these private individuals and corporations deserve a certain amount of credit but we claim this: that the railroads are and have been and should be the servants of the public. As Samuel Untermyer, General counsel for the National Securities Association and a life long student of the railroad problem, says, "The railroads are a common, natural heritage of the people and never should have been allowed to go from them." Thus under the system of the Negative, a natural, common heritage of the people is being used by private individuals for private gain. The motto of these corporations seems to be to charge what the traffic will bear and public service is being sacrificed for private profit. Here we have this great conflict between public and private interests. For years remedies have been proposed in the nature of regulation but these have all failed to give the desired result. The only cure is to cut out the sore at the roots. The knife which will cut it out and cut it clean and leave the desired condition is government ownership and operation. We have patched and mended long enough. We must go to the bottom of the matter and get a lasting and permanent solution. That is government ownership. Then these conflicting interests will become reconciled and we will have no more conflict, with its dangerous evils and results.

But greater than this conflict between public and private interests is the ever-present conflict between railroad companies and their employees. This conflict has caused some of the most serious conditions in American life. One single instance of this conflict was the threatened strike of 1916 which I mentioned before. If it had not been for government interference in this case the United States would have been absolutely crippled. To turn the roads back to their private owners is sure to cause trouble. As authority for this statement let me remind you of

the fact that over one million, two hundred thousand American workmen—railroad employees—have placed themselves on record thru the action of fourteen different brotherhoods as being absolutely opposed to private ownership. Right here let me ask the Gentlemen of the Negative how they propose under their plan to deal with this defiant attitude of the brotherhoods? It is a fact and we must face it and deal with it. We do not support the employees in all their demands and we admit that many times they make demands which are unjust but we can understand the way they feel when they see their employers making extremely high profits and exploiting the public. Government ownership and operation gets at the very bottom of the matter and puts an end for all time to this labor question. At the same time it makes the interests of these three factions—the public, the employer and the employee—one. It is the one and only lasting solution which will bring unity and harmony.

Government ownership meets the one great test of any proposition. It does the greatest amount of good to the greatest number of people. It is strictly an American proposition. It is the one solution which tends to bring together into one unit all the diversified interests. Private ownership with government regulation—the proposal supported by Dartmouth—has been tried for the last decade and has been unsatisfactory. Boards of arbitration have been appointed and then more boards have been appointed and have tried to give us a solution but they were not adequate. We have tried everything without real government ownership but we have always failed to find a lasting solution. We have patched and mended long enough; we must have a new and adequate proposition.

It was the same with the great questions which caused the Civil War. We had compromise after compromise, we tried remedy after remedy but the only permanent and fundamental solution was to wipe out slavery. It was the same with Kaiserism and German Militarism. We sent note after note, we had treaties and treaties but the only permanent and fundamental solution was to drive the Kaiser from his throne and erase German Militarism from the face of the earth. Just so in this case. The only permanent and fundamental solution will be to wipe out private ownership. That leaves only government own-

ership. This will bring unity and harmony and give us a permanent and fundamental solution.

THIRD NEGATIVE.

Standish Bradford Gorham, Dartmouth

Mr. Chairman, Gentlemen from Colgate, Ladies and Gentlemen: With the constructive argument of the Affirmative complete, we find that as yet they have given no concise plan for government ownership of the railroads of the country. If we are to turn over eighteen billion dollars worth of property, and two million employees to the government, we feel that we should at least know how this is to be accomplished, and how the government intends to run the railroads after they have been taken over.

The first speaker of the Negative has endeavored to show that our past railroad system has been a success, that there has never been a collapse of the railroad lines, and that even in 1917, under the most unfavorable railroad conditions, the railroads gave good service. He has shown that the policy of unwise, overstringent regulation by state and nation, has prevented the railroads from securing the benefits of cooperation and has reduced many of them to poverty.

The second speaker tried to show that government ownership will not improve the railroad service. As proof of this he has shown the results of government control and its disastrous effects in the last year and a half. He has shown the failure of government ownership in every country where it has been tried and in this the Affirmative agree by their silence. He concluded by showing that our form of government is not constructed to take over such a business enterprise and that the financial burden which would be placed upon the country would constitute a great economic blunder.

Government ownership, furthermore, will produce serious political evils. More than one million of the American railroad employees are members of the strongest labor organization in the world. For years they have conducted a campaign against the railroads, for the purpose of furthering their own selfish interests. In 1916, they threatened by a strike, to tie up the entire

industries of the country. They have succeeded, under government control, in getting the highest wages of any class of men, and are now recognized as the most favored class of working men. The evening papers show, how they have now obtained from the government a wage increase of sixty million dollars, which will come from your pockets in the way of higher taxes. They have made it clear, that they intend to press their wage demands indefinitely. Now under government ownership these men will become a factor and force of organized labor in every political campaign. If the party in power refuses to grant their demands they would retaliate at the polls and as they represent one-tenth of the voting population, it is obvious that no party would dare to refuse them. Thus the opportunity for graft and corruption would be almost without limit.

But as a democratic nation we have resented public interference with private affairs and have relied on individual initiative as free from government interference as possible. We have not built up a centralized system calculated to take over such a great proportion of the country's industries as the transportation industries. W. M. Ackorth, a noted British economist, said, "The farther a government gets from autocracy and the more it develops in the direction of democracy, the less successful is government ownership of the railroads." This we have shown to be so in the case of the Inter-Colonial line of Canada and the roads in Australia. But the cumbersomeness and slow working of our Congress makes government ownership wholly impracticable. If Congressmen bargain and waste time as they do over the "building of creeks" and post offices, what would they do if there were added to them the construction of railroad lines? In the nature of things Congress is a legislative not an administrative body. Its administrative legislation has not only been a failure, but vicious, and its viciousness has been unparalleled in the history of government. A tariff bill cannot be passed without disgraceful trading between the various sections of the country. Places which really need post offices, wait years before even the foundation is started. We are striving to rid ourselves of the greatest evil in politics, the "Pork Barrel." To turn over such a system to Congress, with its Pork barrelism and slow, almost at times, stupified action, would cause complications and stagnation incon-

ceivable today. For years the thinking people of the country have realized that we should have ships and ammunition plants in preparation for the great war which was coming. A commission was appointed in 1914 to determine just how many ships should be built each year. The committee reported but slow-moving Congress in the face of a crisis was fourteen battleships behind the commission's minimum program when the war started. But in what has taken place in Washington in the past months we have a recent example of what would take place at all times under government ownership. The whole business of the country was distressed over the results of a partisan quarrel between the President and the Senate. The momentous interests of the railroads, their creditors, shippers and travellers, the bankers, and all who have any business relations with the railroads, were tossed to the winds by a President and Senate governed only by their own political ambitions. The railroad appropriation bill of 750 million dollars was utterly disregarded and Congress adjourned without its passage. The railroads with no money to meet current expenses and with new expenses piling up by the millions of dollars were virtually left in no man's land, and in their desperation were obliged to appeal to the private capitalists to tide them over for the coming months. This is an example of government inefficiency of the most vicious kind. The possibilities of the case, however are unlimited under government ownership. Can any one truly say in view of what has passed, that Congress would dominate over the railroads with high principles of business honesty? The entire business of the country would be the football of politics and the people would suffer, for it is always the people who pay for inefficiency and politics in our government.

The Gentlemen of the Affirmative have tried to ignore the political possibilities of government ownership of our biggest business enterprise, but the facts of political log-rolling under government control stand out too clearly to be so easily excused. Under the democratic administration last year Representative Kitchen of North Carolina had constructed a railroad between his town of 500 souls and a neighboring town of practically the same size. At the same time the construction work on the Grand Trunk line between Parmer and Providence, R.I., of 250,000

people, was given up because the administration felt that during the war such work was unessential. Thus Providence with one railroad and badly in need of another, was disregarded in order that Representative Kitchen's town might enjoy the benefits of two roads, where one was hardly necessary. This is an example of political influence, which would be multiplied many times under direct government ownership in peace times. Surely with such an example of political corruption, we have no grounds for ignoring this vital factor of political corruption.

It has not been the intention of the Affirmative to endeavor to show that private ownership cannot be improved. Along with Mr. Hines, Ex-Director-General McAdoo of the Railroads, the Railroad Executives and boards of trade in all of our large cities, we realize that the system of government regulation in the past has been a failure and we would endeavor by sane improvement in the regulation, to remedy the evils of the government in the past. Practically all of the railroad men of the country have put forth plans aiming at a broader, and better regulation by the government in its future dealings with the railroads. But the plan of the Railroad Executives, approved by ninety percent of the greatest transportation men, seems to be the most logical plan of improvement. Their plan is simply this. First we should have all railroads chartered by the Federal Government and responsible only to Washington, thus eliminating all conflicting state and national laws, so disastrous in the past. Next, there would be created a Secretary of Transportation, who would sit at the Council table with the heads of the sectional railroad divisional men, who would relieve the Interstate Commerce Commission of its executive duties, and in whose jurisdiction would be centered rate regulation, subject to revision by the Interstate Commerce Commission. He would thus maintain harmonious relations between railroad employee and employer. Railroads would be pooled into ten or fifteen lines, with compulsory pooling of the smaller with the weaker. Over each of the large railroad districts, would be placed a government official as supervisor, subject to the jurisdiction of the Secretary of transportation. All securities would be subject to the exclusive supervision of the federal commission. Provision would be made for a workable rate-making scheme, by fixing an adequate per-

centage ratio between railroad operating income and combined property investment as a whole. All wage disputes would be settled by the divisions themselves, but if this failed to bring a settlement, appeal could be made to the Secretary of Transportation. The railroad men have long realized that the poor condition of the railroads has been due to the Sherman Anti-Trust Law, which prohibited the pooling of terminals and finances, the low rate charges allowed, the failure of the roads to obtain new capital and the conflicting state and national laws; which under the proposed plan would all be eliminated. We are simply advocating new regulation which according to the best railroad authorities of the Affirmative, will do away with all shortcomings of private ownership, which we have had in the past.

The Affirmative in three speeches has shown that government ownership is not necessary because private ownership has met the transportation needs of the past, that government control has been a decided failure and that government ownership will not only fail to remedy the evils of private ownership, but will introduce new evils far more disastrous. We have given a constructive plan approved by the greatest railroad authorities, and which if adopted, will entirely provide for past shortcomings and give this country uninterrupted, efficient and economical transportation service.

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CHAPTER III

FEDERAL EMPLOYMENT FOR SURPLUS LABOR

LELAND STANFORD JUNIOR UNIVERSITY

versus

UNIVERSITY OF SOUTHERN CALIFORNIA

RESOLVED, *That the Federal Government should furnish employment for surplus labor.*

This is a stenographic report of the debate between an Affirmative team representing the University of Southern California and a Negative team representing Leland Stanford Junior University, held at Stanford, May 28, 1919. This was the third annual debate held between the two Universities. The decision was two to one in favor of the University of Southern California.

The debate was secured thru Miller L. McClintock, Instructor in Debate at Leland Stanford Junior University, who also furnished the brief for the Affirmative and a bibliography which has been revised and enlarged by Miss Julia E. Johnsen. The brief for the Negative has been prepared by the Editor of this Volume.

BRIEF

FEDERAL EMPLOYMENT FOR SURPLUS LABOR

AFFIRMATIVE

Introduction

- I. The question is one of present interest, since
 - A. There is a great amount of labor unrest in the nation.
 - B. There are many conditions in industry which point to unsettled labor conditions in the near future, since
 1. The cancellation of government war contracts will throw many out of employment.
 2. Many women workers will be thrown out of employment due to the returning soldiers.
 3. Thousands of our soldiers, sailors and marines, upon demobilization will tend to unbalance the labor market.
- II. The history of the question presents many interesting aspects, since
 - A. The problem was largely an academic one until recent years, since
 1. The existence of large tracts of undeveloped land prevented serious unemployment.
 2. Large scale industry is of recent growth.
 3. No adequate statistics on unemployment have been secured until recent years, since
 - a. The census of 1870 was the first attempt at such a compilation.
 - B. The growing seriousness of unemployment has caused it to be considered as a serious problem, since
 1. There has been a growing tendency toward seasonal unemployment in many trades thruout the nation.

2. There has been a growing seriousness in periodic unemployment, since
 - a. Acute unemployment existed in 1890, 1900, 1901, 1904, 1907, 1908, 1914, and 1916.
3. There is every reason to believe that the country is at present in a period of periodic unemployment.

III. In order to clarify the argument it is necessary to define the terms of the proposition—

- A. For the purpose of this debate the term "surplus labor" shall be understood to refer to all capable of working, who against their own will, are unable to secure work, since
 1. It is so used by Frances Kellor, editor of the "Immigrants" in *America Review*, p 29.
- B. By, "furnish employment" is meant the actual employing of laborers.
- C. The word, "should" is taken to mean, "it is for the best interests of the workers and the nation."

IV. The restatement of the question as defined is, then, Resolved: that it is to the best interests of the workers and the nation for the Federal Government to provide actual employment for those who are capable of working, but who, against their will, are out of work.

V. Those who uphold the affirmative of the proposition claim that the Federal Government should furnish employment for surplus labor, for the following reasons:

- A. There is a serious surplus of labor for which provision must be made, for
 1. There is a serious seasonal surplus.
 2. There is a growing prevalency of periodic unemployment.
 3. Thousands are without work at the present time.
- B. The best means of providing for this surplusage is by the Federal employment system, for
 1. The nature of the problem makes it desirable for the Federal government to be the controlling agent, for

- a. It is the only organization capable of supplying an adequate organization.
- b. The problem involves questions of standards of citizenship.
- c. The Federal Government is best able to solve the problem in an economic manner.

VI. Those who uphold the negative of the proposition claim that the Federal Government should not furnish employment to surplus labor, for the following reasons—

- A. The seriousness of the labor situation has been largely exaggerated.
- B. The Federal Government is not the best method of dealing with the problem, for
 1. The cost would be too great.
 2. The plan would bungle our public works system.
 3. The plan could not provide employment for all those unemployed, for
 - a. The Federal Government could not handle the women.
 - b. It would not be able to provide work in all localities where unemployment might occur.
 - c. The development of our foreign trade with the resulting stimulation of industry offers a better remedy.

VII. From the definition of the question and the above clash of opinion the following matter may be considered extraneous to the discussion:

- A. Those who are willfully out of employment need not be considered under the terms of the proposition.
- B. All discussion of plans for the care and relief of those incapable of working is extraneous.

VIII. From the above clash of opinion the following special issues may be drawn:

- A. Is there a serious surplusage of labor which demands solution?
- B. Is the Federal Government the best agent to deal with this situation?

Body

The Federal Government should furnish employment for surplus labor, for

- I. There is a serious surplusage of labor which demands solution, for
 - A. The coming of peace has caused serious labor disturbances, for
 1. There has been a cancellation of war contracts which has thrown many out of work, for
 - a. To date \$6,500,000,000 worth of contracts have been cancelled.
 - b. There is a recommendation before Congress for the cancellation of \$1,500,000,000 more contracts.
 2. The demobilization of our army will throw approximately 3,500,000 men back on the labor market.
 - B. The enactment of national prohibition will throw several hundred thousand men out of work.
 - C. Existing agencies are unable to handle the surplus, for
 1. The United States Employment Bureau has not been able to place the men, for
 - a. The weekly report of the bureau for March 15 of this year states that in 122 cities, there were over 370,000 unemployed.
- II. The Federal Government is the best agent to handle the situation, for
 - A. The plan is sound in principle, for
 1. It is within the scope of Federal action, for
 - a. President Wilson said in a speech reported in the Congressional Record, February 22, 1919, "It is possible in dealing with our unused land to effect a great rural and agricultural development which will afford the best sort of opportunity to men who want to help themselves."
 - b. Theodore Roosevelt said, "We should spend hundreds of millions of dollars reclaiming land for the returning soldier and sailor."
 2. The Federal Government will be able to carry out a plan of employment in the most effective manner,

- a. The plan will be administrated by a closely unified organization, for
 - b. A central body with regional boards will be organized.
3. The plan of employment is part of the duty which the Federal Government owes to the men whom it took from normal industry, for
 - a. O. G. Villard, Editor of the Nation, said in that publication, February 15, 1919, "In the act of taking men from their positions to fight in the army, the government assumed a solemn obligation to give these men employment upon their return."
- B. The Federal Government will be able to make the plan a practical success, for
 1. The work given the unemployed will yield dollars for dollars, for
 - a. Men will be employed only on needed public projects, for
 - (1) According to our plan the government will expand its assistance in good road building and open this work to the employment of those without jobs.
 - (2) Flood control projects offers profitable opportunity for the government's employment of large numbers of men.
 - (3) The third field in which we suggest that the government should employ men is in the reclamation of swamp lands, a needful work, for
 - (a) In the last report of the Department of the Interior, Secretary F. K. Lane estimates that there are between sixty and eighty million acres of swamp land that can be reclaimed at a cost of approximately \$15 per acre.
 - (4) Reforestation offers practical employment, for
 - (a) There are millions of acres.

- (5) Desert land offers a vast empire for government work.
- b. The work of the men employed will be under the direction of an efficient central board, for
 - (1) A public works commission composed of experts will be formed.

Conclusion

- I. The Federal Government should furnish employment for surplus labor, for
 - A. There is a serious surplusage of labor which demands solution, for
 - 1. Peace has thrown many out of employment.
 - 2. Prohibition will leave many without work.
 - 3. Existing agencies admit their inability to deal with the situation.
 - B. The Federal Government is the best agent to handle the situation, for
 - 1. The plan is sound in principle.
 - a. It is within the scope of Federal action.
 - b. The plan can be carried out effectively by the Federal Government.
 - c. The plan gives the government the opportunity to pay the debt it owes the returning soldiers.
 - 2. The Federal Government will be able to make the plan a practical success, for
 - a. The work done will yield dollars for dollars,
 - (1) The men will be employed only on needful projects.
 - (2) The work will be carefully supervised according to the best business principles.

NEGATIVE

- I. The Federal Government is unable to furnish employment for surplus labor.
 - A. In order to create work the Government must either go into industry, or enter upon a policy of public works.

- B. The field of industry offers no solution of the problem of finding jobs for the unemployed.
 - 1. No industrial enterprise could be elastic enough to accomodate the plan of the Affirmative.
 - a. Men would have to be employed during the period of depression, and discharged when conditions became normal, regardless of the needs of the industry.
 - 2. The number of men needing employment would be too large for any one industry.
 - 3. For the Government to go into a number of industries would either eliminate private competition or cause over-production.
 - a. Over-production would result in lessening the value of the finished product and this in return would reduce wages.
- C. It would be difficult for the Federal Government to provide for the employment of surplus labor by a program of public works.
 - 1. Public works are largely local in character.
 - a. Federal money should not be spent for local improvements.
 - b. Any plan of employing labor for public works should be carried out by state, county and municipal authorities.
 - 2. Public works could not be undertaken on a sufficiently large scale nor fluctuate to meet the demands of surplus labor.
 - 3. It would be difficult to provide the variety of work needed.
 - 4. Public works would not provide employment for women.
- II. Any program which guarantees employment to all surplus labor will ultimately prove injurious to it.
 - A. Such a plan would destroy any incentive to efficiency.
 - 1. Men could not be discharged for incapacity, or laziness.
 - B. It would tend to destroy initiative.

1. Experience with government employment gives ample evidence of this.
- C. It would injure the very class of people it is aimed to benefit.
 1. It would nullify the fundamental law of social improvement, i.e., that the wages of carelessness, dishonesty and inefficiency are unemployment.
- III. Any program that guarantees employment to all surplus labor will be harmful to industry.
 - A. It would lower standards of work by encouraging carelessness and inefficiency.
 - B. Unless the government paid low wages and provided improper working conditions, which few would advocate, it would draw workers away from private industries.
 1. This would increase labor turnover in industry which is already costly.
 2. It would result in an ever-increasing strain upon society and in enormous taxes.
 - a. The inefficient men would be left for private industry, but private industry would not employ this class of men any more than it will today.
 - b. There will continue to be a surplus of labor to be provided for.
 3. This was the actual result in France when the government undertook recently to furnish employment for surplus labor.
- IV. The problem of surplus labor can and should be handled in some other way.
 - A. A demand should be created for American-made products, by developing a larger foreign trade.
 1. Authorities agree that our foreign trade can be increased easily.
 2. This would bring other benefits in addition to the abolition of unemployment.
 - a. The conduct of business at a profit which will permit the renumeration of workers in keeping with present and future standards of living.

- b. Complete utilization of production capacity of industrial plants.
 - c. Elimination of seasonal industries, and of cycles of domestic economic depression.
 - d. The abolition of seasonal industries.
- B. Better methods are needed for the distribution of labor.
 - 1. The problem of unemployment is largely one of the proper distribution of labor.
- C. There should be further restrictions on immigration.

FEDERAL EMPLOYMENT FOR SURPLUS LABOR

UNIVERSITY OF SOUTHERN CALIFORNIA

versus

LELAND STANFORD JUNIOR UNIVERSITY

FIRST AFFIRMATIVE

R. C. Fisher, Southern California

Ladies and Gentlemen: Recently we have seen a great change in the industrial life of America. With the coming of the armistice we have seen the reorganization of practically the whole industrial life in America, and with this great reorganization of industries have come all the attendant problems that it may be expected to bring. There has been a great unemployment of labor, and so it is fitting that tonight we should discuss the question:

Resolved: That the Federal government should furnish employment for surplus labor.

For the purpose of clarified discussion it is necessary that some of the terms of the question be explained. By the term "surplus of labor" is meant all that labor which will exist in actual residue of the amount that normal industry can absorb. To make this clear—the United States Employment Service Bureau is an organization existing for the sole purpose of the proper distribution of labor. What men they can place through their means of distribution is not surplus labor, for the very effectiveness of this organization is limited by the capacity of normal industry to absorb the labor. But, on the other hand, the men that can not be placed by any means of distribution whatever, the men that will exist after every possible means of distribution has been effected, those men are "surplus labor."

By the term "furnish employment" is meant the actual employment of men by the Federal government.

Thus the question might well be stated—*Resolved*: That the Federal government shall employ all that labor which will exist after every possible means of distribution has been effected.

We can see from the very statement of that question that a condition of a surplus of labor is either assumed to be prevalent now or assumed to arise at some time in the future. The question clearly states that the United States should furnish employment to surplus labor. If there were not a surplus of labor now, or at some time in the future, such a question would not be *apropos* at this time.

Thus we see that it is not incumbent upon us of the Affirmative to show that there is a surplus of labor today, or that there will be a surplus of labor at any time in the future, for the question clearly assumes such a condition to be true. It is necessary, though, for us to show that the Federal means of employment is the best means possible of reducing this surplus. Although it is not necessary for us of the Affirmative, according to the statement of the question, to show that there is a surplus of labor today, nevertheless the surplus today is so great that it must be considered.

We have already seen conditions which would lead to a surplus, the government cancellation of \$6,500,000,000 worth of war contracts; the recommendation for the cancellation of \$1,500,000,000 worth more; the cancellation of contracts calling for more than \$4,000,000 worth of steel ships. All of this has meant the throwing out of war workers onto the labor market—over one and one-half million of our three and one-half million enlisted men have already been discharged; and we must also look to another consideration and that is that either on July 1st of this year or January 1st, 1920, the enactment of the prohibition amendment will throw over one hundred thousand employes of the brewing industry out of employment. Thus we see that we have today conditions which point to a great surplus of labor. No better means of determining the condition of labor in this country can be had than by an examination of the statistics of the United States Employment Service Bureau. Arthur W. MacMahon, associated with the Council for National Defense, in an article in the *New Republic* for February 15, 1919, Page 82, says: "Thirty to forty-five percent, according to the experience

of the representatives of the United States Employment Service in the camps, have no definite jobs in sight. Furthermore, the Weekly Report of the United States Employment Service Bureau itself, which as I have stated is an organization existing for the sole purpose of the better distribution of labor, states that on March 15th, in 122 cities of our land, there were over 370,000 unemployed men, and, mark you, these are men that are surplus labor, for the United States Employment service is a bureau for the better distribution of labor, and what men they cannot distribute—what men cannot be absorbed by normal industry—these men are surplus labor. And so today we have over 370,000 men in 122 cities of our land, unemployed. Not only have we a surplus of labor, but a dispatch from Washington on May 15th states that an increase of unemployment in the week ending May 10th was reported by the United States Employment Bureau. Thus we see that we have today a great surplus of labor. In 122 cities of our land the surplus amounts to over 370,000.

Not only have we a great surplus of labor today, but there will be recurring from time to time in the future acute periods of unemployment as a result of periodic business depression. A brief summary of our past history will show this to be true. In 1890, according to statistics from the census of that year, 15 1/10 of the total army of workers in the United States were unemployed at some time or other during the year. Another period of acute unemployment occurred in 1900, when the percentage of unemployed was 22 3/10. Another period occurred in 1904 and 1905, when it was estimated that there were two and a half million unemployed throughout the United States. Still another period of acute unemployment occurred after the panic of 1907; and again, in 1914 and 1915, when it was estimated that there were over two million unemployed during the winter. The Metropolitan Life Insurance Company, after a careful survey, estimated that in the city of New York alone there were over 440,000 unemployed, or, in other words, that one man out of every five, in that terrible winter of 1914-15, was tramping the streets hunting a job. Thus we see that not only is there a condition of a great surplus of labor today, but that from time to time there will be recurring acute periods of unemployment, and

moreover there is every reason to believe that we are at present in the throes of such a condition of acute unemployment.

Plainly, then, with the condition of acute unemployment today, and with the realization that these periods will be recurring from time to time in our history, we can see that some means must be taken to reduce this surplus. We of the Affirmative believe that the best means to reduce this surplus is for the Federal government to actually employ these men on contracts for necessary public works. The plan which we propose was fully outlined by Mr. W. H. Hamilton, a careful investigator of labor conditions in this country, in his article published in *Everybody's* for August 16th, 1918, entitled "Big Jobs for Bad Times." The plan is also proposed by Secretary of the Interior, F. K. Lane, in a letter to President Wilson, in which he suggests that discharged soldiers be employed on reclamation projects. Furthermore, the plan has the approval of the War Labor Policies Board. Every member of the board is outspoken in his approval of the plan as proposed. In fact, the War Labor Policies Board is today developing such a plan as we propose. Our plan includes essentially the creation of a central board which shall be known as the National Public Works Commission. There should also be existent throughout the United States, located at various points, numerous district boards. These district boards should be organized under the central board and responsible to it. The central board in turn is organized under the Department of Labor, and responsible to it. Furthermore, the plan which we propose would mean the taking of men who are fit to study the conditions of unemployment, and men who are capable of making surveys and determining what are the necessary public works. We see that in organization our plan is much like our own Federal Reserve System with which we have become so familiar in the past few months. It has its central board responsible to the Department of Labor, just as in the case of the Federal Reserve System. It will provide the same means, and do the same work in the field of industry that the Federal Reserve System aims to accomplish in the field of finance. It is the purpose of our plan to furnish buffer employment to tide men over the period of business depression. Thus, whenever we have a condition of surplus of labor existing as we

have at present, necessary public works will be opened up to provide employment for these men who are turned out from the normal industrial pursuits of the nation. Thus we see that it will enable the men to shift easily from their positions in normal industries to the work for the government, and again, when conditions are normal and industries revert to normal, the men may shift easily back from their work for the government into the work of their normal industrial occupations.

Thus we see that the plan which we propose is flexible. It consists of an organization which is to construct a normal, or minimum amount of public works in normal times, but is to be so organized that whenever conditions of acute unemployment occur, construction of public works will be expanded so as to take care of the men who are turned out from normal industries. Mr. W. H. Hamilton, member of the War Labor Policies Board, in an article in the *Survey* of January 4, Page 428, says: "Buffer employment is a reservoir that takes the surplus of men in the labor market who can not find employment, gives them jobs, and keeps them until the pressure upon ordinary industry has been released enough to supply them with employment." Thus he endorses the very plan which we propose.

This, then, is the plan which we of the Affirmative propose.

FIRST NEGATIVE

Louis F. D'Elia, Stanford

Ladies, Gentlemen, and Judges: The gentleman of the Affirmative has presented to you some of the existing aspects of the labor problem. He has also made known his attitude toward the question—that is, to do away with unemployment by providing work. That is precisely the same hope that we cherish in regard to the matter at this moment. We agree with the gentleman of the Affirmative as to the desirability of doing away with unemployment, and we are favorable to whatever program will do this. We are not opposed to his reasons for cherishing the hope, but we are opposed to the method by which he expects to realize this dream of a job for everybody. We believe in employment for everybody. But we are not debating the question this evening of whether or not there shall be a job for all. We

are debating the question of whether or not the Federal government should adopt a plan whereby it must guarantee a job to every laborer out of work. There has been some authority quoted advocating buffer employment, but we are not questioning the desirability of buffer employment in times of depression. That is favorable. What we are debating is the question: Resolved—That the Federal government shall furnish employment for surplus labor.

What is surplus labor? In a letter received by us from Mr. J. B. Densmore, Director-General of the United States Employment Service, at Washington, he says: "The expression 'surplus labor' is a synonym for 'unemployed'. At present it is often used of the unemployed in specific localities in specific industries as compared with the total unemployed of the country."

If the question read: Resolved, that the Federal government should create work for the unemployed, that would require the gentlemen of the Affirmative to assume a very different program. Such a plan might use up all the surplus labor, and then again, it might not. It might extend from a period of industrial surplus to a period of labor shortage. The government could demand the right to employ only efficient and capable men, and could discharge the inefficient. But that plan would not meet the requirements of the question: Resolved, that the Federal government shall provide employment for surplus labor. For, if it fails to employ all men, or if it discharges the inefficient men, it does not meet the question. That is the position which the Negative opposes.

Before opening the discussion I wish to state just what the Negative intends to establish as its main issue. In the first place, the Federal government is unable to furnish employment for surplus labor, and if immediate relief is to be offered it should be done by the local, state, and county governments. Also, that the plan of giving work for the sake of the employment is fundamentally wrong and the outcome would be injurious to labor, industry, and society in general. In the third place, we believe that the problem of surplus labor can and should be handled in a better manner. It is my duty, as first speaker of the Negative, to show that although the plan of the Affirmative might seem favorable in all its aspects, it can not be handled by the Federal government, for these reasons.

In order to create work, the Government must do one of two things. It must either go into industry, or, as the gentleman has suggested, it must go into a policy of public works. We are going to show the impossibility of both plans.

Assuming that the Government is going into industry to furnish jobs for the unemployed, the field of industry offers no solution. No industrial enterprise could be of such an elastic nature as to accommodate the plan of the Affirmative. According to their plan they would have to employ an indefinite number of men during the period of depression, and then discontinue employment when conditions became normal; no industry can run on that basis. According to the insurance underwriters of this country, in 1902-07 the fluctuation of labor unemployment varied from 1,400,000 to 4,600,000, and the average monthly fluctuation in one year varied from 1,900,000 in October to 3,400,000 in January. It would be impossible to run any industrial enterprise on this basis of changing from month to month and from year to year. During these periods of great surplus the government has been spending millions upon millions of dollars for public works in various ways, but it has not succeeded in solving the problem. And it would be impossible for the government to solve this problem by any system of industrial enterprise, unless the Affirmative wish to advocate a condition of socialism.

Upon consulting statistics we find that in 550 automobile manufacturing concerns only 280,000 people secure employment. In 928 concerns manufacturing parts and tires only 329,000 people secure employment, and in three large brewing concerns only 6000 people are employed. If the government is to go into industry to create work for the unemployed, the average being about 2,500,000, it would have to go into four times the amount of work I have stated. And, though we are not discussing socialism this evening, I may say that socialism would fail to meet the requirements of this question. In going into industry the government would not only tend to destroy competition among private manufacturers, but it would reduce the number of private producers and tend toward socialism. But, supposing the Affirmative refuse to advocate a system of socialism, and say that the Government could go into a number of different industries. If it did it would be going into the same kinds of industries that are now maintained by private concerns, and would either

eliminate private competition or would make too much goods; in the latter case they would lessen the value of the finished product and this in turn would reduce wages. Despite the fact that the Affirmative could not logically advocate such a system, that is the only way in which a large number of workers of various trades could be given employment. We must remember that the men who go into industry are not all ditch-diggers and people who dig sewers, which is the main characteristic of public work.

The only other field of enterprise into which the government could enter would be that of public works which has already been mentioned. What would be the characteristic of public works? We find that the greatest portion of public works is that of a local character. H. J. Moulton of the Economics Department of the University of California, who is a member of the War labor board, says: "It has been reliably estimated that the total of public money spent annually in the United States on improvements is \$600,000,000, about two-thirds of which is spent on local work." If we take from the remainder the amount spent by counties and states we find that the Federal government is interested in a very small portion of the amount spent. We doubt that our friends would favor a plan whereby we would spend Federal money for local improvements. Any plan for employing laborers on public works should be elastic, and should be done by the county, state, or municipal government.

If our friends still insist that the Government should carry on a system of doing this sort of work, the work must be of a national nature and of national importance. It can not be started today and stopped tomorrow according to the fluctuation of labor from month to month and year to year. We could not take up any kind of work on that basis—particularly not the kind of work that would provide sufficient jobs for surplus labor at all times.

Let us consider the magnitude of a national public works program which would be necessary to meet unemployment conditions at all times. Take for illustration the Panama Canal and the Roosevelt Dam. These are national projects. We find that in the building of the Panama Canal only 40,000 people received employment, and a considerably lesser number on the Roosevelt Dam. In order to employ from 1,500,000 to 4,500,000 people, we

must consider the amount of work that it would be necessary to engage in in order to meet the average, 2,500,000. In order to employ 2,500,000 people it would be necessary to engage in work equal to the building of fifty Panama Canals and 125 Roosevelt Dams. Will the Affirmative advocate any system to that extent in order to give work to surplus labor?

Another difficulty in the plan of providing jobs for surplus labor is the variety of the work that would be necessary. We find that surplus labor is made up of a number of different kinds of trades, some technically skilled, others mere ditch-diggers. In order to give these men jobs they must be given work along the lines in which they are trained. The tailor, the carpenter, the shoemaker must be given work along the lines in which they are trained. They cannot expect the tailor or the shoemaker to go into the desert to dig. These men are not fitted for hard manual labor. And if they fail to eliminate unemployment among the tailors, carpenters, and shoemakers, how are they going to advocate their system. Work has to be offered along these various lines in order to meet the question.

We also find that our present civilization has called upon the women of this country to give physical energy in our great machine of industrial enterprise, and a woman today is just as much of a laborer as a man. Women have been recognized for their support in this great war, and they must also be recognized in any system to provide work for the unemployed. You can not discriminate between giving employment to women and to men. To say that the government must furnish employment to surplus labor means that the government must furnish work to every man and woman who is out of work and who is seeking for work. Can a system such as the Affirmative have outlined furnish employment for surplus woman labor?

We have found that their system can not furnish employment to workers of different trades. They can not furnish labor along industrial lines, because if they do they will either eliminate private enterprise or create over-production, and in doing so they will reduce prices and ultimately reduce wages, or

They will have to go into public works, and if they go into public works they will have to produce enough work to give employment to 2,500,000 people. Furthermore, if they go into public works they can not provide employment for women.

Therefore, the Affirmative has failed to produce a plan which will furnish the kind of work that will give employment to surplus labor as the question requires.

SECOND AFFIRMATIVE

Lawrence B. Martin, Southern California

Honorable Judges, Friends: In considering the case as presented by the worthy gentleman of the Negative this evening, we must take up the first point he gave to us, namely, that the plan of the Affirmative has to be of too large a scope to meet the situation of surplus labor.

In the first place I would like to point out that the condition of surplus labor does not exist all in one place. On the contrary, there are so many thousands in one place, so many in another, and so on, and the plan which we propose is a feasible one because it can meet this situation in various parts of the country. The public works which the government would construct exist in various parts of the country, such as the building of public roads, the construction of vast reclamation projects—all these things exist in various parts of the country, north, south, east and west. In all parts of the country, therefore, we find conditions existent calling for public works upon which surplus labor can work. I believe that by considering the case of the Affirmative this evening we can make clear our case and perhaps erase a number of objections which exist in the minds of the Negative. In the first place I wish to show that the plan which we propose is sound in principle, first because it is within the scope of Federal action; second, because we believe we can meet this situation in a business-like way, and third, because we believe the question of citizenship is at stake and because we believe our plan will preserve the standard of American citizenship.

Let us consider the first point. One of the best tests to see whether this plan is truly within the scope of Federal action is to take the authority of those men who have the best interests of the American people at heart. President Wilson said in regard to this matter, in a note to Congress published in the Congressional Record of February 22, 1919: "It is possible in dealing with our unused land to effect a great rural and agricultural de-

velopment which will afford the best sort of opportunity for men who want to help themselves." That is President Wilson's stand on this matter. Another great American, differing somewhat from President Wilson, but who, nevertheless, had the interests of the American people at heart, (I mean Theodore Roosevelt) said: "We (meaning the American People) should spend hundreds of millions of dollars reclaiming land for the returning soldier and sailor."

Thus we see that from the standpoint of these men this plan is truly within the sphere of Federal action, because in the first place it has the endorsement of the people who understand the principles of American government, and in the second place because it stands the test of those people who would not advise anything against the best interests of the American people.

Our Opponents disagree with us that the proposition of the Affirmative is of a Federal character, claiming that these activities should be handled by local agencies. Let us consider this. In the first place the National Public Works Commission will have charge of all Federal projects and all projects in which the Federal government is interested, such as the reclamation in the south of thousands and thousands of acres of swamp lands; eight Pennsylvanias and thirty-two Belguims can be reclaimed in the south. Such things are too large for local means to handle; they are distinctly Federal in character, and the National Public Works Commission, in times of depression, by expanding these activities, would take care of the men in large cities who want work. This is not a question of whether a man is a tailor, a carpenter, or a baker. These men want employment; they want to earn a decent American living wage, and this plan would offer them the opportunity to earn that wage, and at the same time would build up public works.

With regard to state and local projects, this National Public Works Commission would cooperate with states and communities. We have seen that there are some projects which are too large for state or local supervision. Others, like the building of public roads, can be done by the state with the cooperation of the National Public Works Commission. The National Public Works Commission can work with the state, can give supervision, can give it the best employes, engineers, and machinery. We

have an example of Federal and state cooperation in the case of the good roads in California. By this Federal and state cooperation we will do away with surplus labor, and at the same time secure the needful public works. And thus we see that from the standpoint of the Federal government supervising these larger projects which could not be handled by the state, and in cooperating with the state, by giving engineers, machinery, and labor, the plan of the Affirmative would aid in the solution of the problem of surplus labor.

My worthy Opponent presupposes that we are going to discuss this problem from the standpoint of the Federal government going into industry. We do not propose that the Federal government should engage in industry to absorb surplus labor. The plan which we propose is one that will meet the question and solve it—that is, the plan of developing our public resources. Henry Ford, in his paper, the "Dearborn Independent," says, "If we set about it intelligently we could find profitable productive work for twice the number of our present industrial army." Henry Ford comes in contact with conditions all over the country, and he realizes the necessity of these public improvements in different parts of the country. He goes on to say in his paper: "America teems with work to be done. America will never be over-supplied if we develop our public works as we ought."

Thus we see that by this Federal and state cooperation we can solve the problem of surplus labor and at the same time gain these needful public works.

There is one further consideration—and that is the question of whether or not our plan is within the scope of Federal action. When we tore our young men from their ordinary walks of life to place them in the army and navy—when we did this we assumed the obligation of giving these men employment upon their return. If these men exist in surplus of the number that normal industry can absorb, then the Government is under obligation to give them employment. Mr. O. G. Villard, Editor of the Nation, and a man who understands the situation, points this out in an article in that paper on February 15, page 245. He says: "In the act of taking men from their positions to fight in the army, the

Government assumed a solemn obligation to give these men employment upon their discharge."

Thus we see that the plan as advocated by the Affirmative this evening is within the scope of Federal action. Let us consider another important point, and that is, will our plan meet this situation in a business-like way? Let us see. In the first place, this National Public Works Commission will be a responsible body of men to whom the American people will make appropriations for the development of public works. These appropriations are not made for little things to be done yearly, but will be held by the National Public Works Commission until such time as there may be a surplus of labor due to business depression. At such times the Commission will expand the building of public works to absorb the surplus labor. Then, when conditions become normal again and industry is ready to take back the men, the Commission would contract the work of public development. Thus we see that the National Public Works Commission is a sound proposition from a business standpoint. As Henry Ford said, "If we set about doing this thing intelligently we will solve the problem."

Let us consider another point—that is, that the plan proposed is within the scope of Federal action because the question of citizenship is at stake. We must realize that there is a great army of soldiers and sailors unemployed in the country, and they are a danger if left unemployed. General Leonard Wood, who has taken Colonel Roosevelt's place as contributing editor to the *Metropolitan*, is quoted in the *Current Opinion*, May 19, 1919, page 330, in an article entitled "Dangers that Lurk in the Rising Tide of Unemployment," wherein he points out the danger before this country.

"It will take a long time to find occupations for such a great number of men, thousands of whom do not wish to go back to the farm, the store, or the factory. They are looking for new jobs. They have in mind the hard fighting at Chateau-Thierry, the desperate struggles in the Argonne. They are seeing visions and dreaming dreams. Go easy with them, and have patience. Above all, try to keep them out of the hands of those who would take advantage of their idleness. With two millions returning from over-seas, and nearly the same number being dis-

charged from the service in this country, with the spirit of unrest abroad in the world, it is easy to foresee that we have a situation which must be properly handled."

We believe the plan will be a good one. We believe we will solve the situation, and at the same time provide the needful public works. As pointed out by one of the British ministers, a man left without employment is unfit for intelligent and satisfactory participation in matters of government. That is what we do not want in a democratic country. Where each and every citizen is an integral part of the government, we cannot permit the quality of citizenship to deteriorate. If we do so we are endangering the very foundation of our government.

Samuel Gompers further shows that the American working man has a right to expect a decent standard of living, decent clothes and good, wholesome food for his family, and a good education for his children. The plan of the Affirmative gives him this chance if he really wants to work, through the development of public works by the National Public Works Commission. So we see that the plan of the Affirmative is sound in principle, first, because it is within the scope of federal action; second, because it will meet the situation in a business-like manner; and third, because it will preserve and build up the quality of American citizenship.

SECOND NEGATIVE

Roy Reames, Stanford

My worthy Opponents, Honorable Judges, Ladies, and Gentlemen: Before considering the points of the Negative this evening, I should like to ask the Affirmative one question. They say they are going to provide work for the surplus labor of the United States. How much will this cost? We think it is due the Negative to know the expense, since they are advocating the plan. Please let us know your estimate of it.

Furthermore, we quoted this evening a definition of "surplus labor." This definition was from Mr. J. B. Densmore, Director-General of the United States Employment Service, and we believe the Affirmative have accepted this since they have not replied. If they want to refute the argument they must refute our

definition or they cannot continue to debate their case on the wrong analysis. Therefore it is incumbent upon the next speaker to refute the definition, or to accept it.

In continuing the debate of the Negative, I wish to point out to you a few of the salient points of the argument presented by my colleague. He pointed out to us two possible fields of work in which the government could engage to carry out a program of giving jobs to surplus labor. The gentleman said they were not going to advocate the government going into private industry. I hope they are not going to go back on their word. My colleague pointed out that for the government to enter into the field of industry as a means of solving the labor problem is impossible. He showed that such a policy would not create new jobs, but would merely replace those already existing in private industry. In fact, the tendency of government ownership would be to reduce the number of jobs by the elimination of the duplications resulting from competition. He gave you some idea of the enormous extent of the industrial enterprises in which the government would have to engage if it undertook to give employment to all surplus labor. In presenting these facts my colleague pointed out that in order to provide employment for surplus labor the government would have to engage in work equal to fifty Panama Canals or one hundred twenty-five Roosevelt Dams. My colleague in giving you some idea of the industrial enterprises in which we would have to engage pointed out the enormous extent to which we would have to go if the government intended to provide employment for all surplus labor, from the printer to the woman garment workers. He pointed out that two-thirds of the public work done in the United States is of a local character, and is done by cities, counties, and states. He showed that there is no program of public works adequate to meet the demands. In presenting these facts my colleague did not point out the theoretical side of the question. In continuing the argument of the Negative it will be my privilege to prove that any plan whereby the government guaranteed employment to all surplus labor is wrong in its conception and wrong in its basis, and will ultimately result in injury to both labor and industry.

We are not debating the problem of public works. The pro-

gram of the evening involves much more than that. We further believe that any program which guarantees employment to all surplus labor will ultimately prove injurious to it. Furthermore, we maintain that any program which takes away the incentive for efficiency, that gives to the laboring man or any other member of society a sense of comfortable security and does not at the same time involve a balancing sense of responsibility, that deadens initiative and that makes the lack of a job the criterion for a new job, and not character, honesty, ability, or good habits—such a program cannot result in any permanent good to laboring men or society, but ultimately results in injury. In this connection let me again call your attention to the full significance of the scheme which our opponents are advocating this evening. When the government undertakes a program of public works for the sake of public works, it can discharge a man who does not do his work. But when the government undertakes a program of furnishing work to all surplus labor, it cannot discharge a man for incompetency, for by doing so it would defeat the purpose for which the plan was undertaken, namely, to give employment to surplus labor, most of whom are inefficient.

There is one lesson that America, in connection with its part in the great war, has taught the world. This lesson I can best express by quoting from an address recently delivered by Otto H. Kahn before the Convention of the American Bankers' Association. After putting to his hearers the question as to what was the underlying cause behind the remarkable work of the American soldiers (so-called "untrained") in handling the great problem of the war he said: "You in America have always been a nation of private enterprise and individual initiative. Under the stimulation of these conditions you have produced a race—daring, keen, quick-witted, adaptable, self-reliant."

The force that tends to make society dynamic, and that underlies all progress, is the initiative of the different members of society, engaged in healthy competition with one another, encouraged by a keen sense of the individual's own responsibility for himself and his family.

In the light of these thoughts, let us consider the program furnished by the Affirmative. In the first place let us not forget that man who is industrious, honest, and efficient, although he

may at times be temporarily out of a position, need not remain so for long. If this were not so, we would not believe in America as we do. As pointed out by Adams and Sumner, Professors of political economy in the University of Wisconsin, in their book on Labor Problems, the great mass of surplus laborers are inefficient laborers.

Again, Mr. A. G. Warner, in his book on American Charities, says: "One word sums up all the causes of poverty, 'incapacity'—incapacity to work regularly, incapacity to adapt oneself to new conditions, incapacity to restrain the passions. The great majority of investigators who have dealt with poverty at first hand agree, that in ordinary times, low wages, irregularity of employment and lack of employment are due in the first instance to the inefficiency and unreliability of the very people who suffer. If one wanted thoroughly efficient help, male or female, he would hardly expect to find it among the 'out of works' with whom the charitable societies deal. Back of the cause 'lack of work' ordinarily, and in ordinary times, will be found some perversion of character, or some limitation of capacity."

When the Government takes up the program of providing jobs for surplus laborers, it says to the inefficient laborer, "That's all right; if private industries will not employ you, and you thereby become one of the surplus, we will take care of you." To the indolent worker, it says, "Never mind. If you don't hold your job with the private factory, the Government will give you a job." To the clock-watcher and the dishonest and the red-nosed, it says, "Cheer up, boys! You are part of the surplus. We shall therefore take you on." But that is not all. To the man who has been forced to work diligently and honestly by a realization of the fact that he would have to do so to hold his job, it says: "Forget it, old man; loosen up; If you lose the job you have now, the Government has one for you."

The program advocated by the Affirmative would destroy the incentive to efficient work. The correctness of my argument is proved by the experience of government employment in Australia, where ten percent. of the laboring class is employed by the government. William Holman, the labor union Prime Minister of New South Wales, recently admitted that in this so-called "working man's paradise" all initiative had to come from the government. Alma Whitaker, an American newspaper corre-

spondent who recently made a trip to Australia to investigate conditions there, says that "The men were deliberately following a 'go slow' policy", stating that "the peculiar logic of the workmen's minds is interesting in its short-sighted and selfish trend—for their defense was that in that way they were patriotically making enough work to go around." Such is the result of a program of providing jobs.

In concluding this phase of my argument I can do no better than to quote from Mr. John Burns, probably the most prominent and active labor leader in the English-speaking world. He says: "In spite of what some advocates of work for the unemployed may say, I contend that until the differentiation of the laborer from the loafer takes place, the unemployed question can never properly be discussed and dealt with. Till the tramp, thief, and ne'er-do-well, however pitiable he may be, is dealt with distinctly from the genuine worker, no permanent benefit will result to any of them."

Friends, to insure the social progress of the world, it must ever be that the wages of carelessness, dishonesty, inefficiency, and disregard of duty to employer, will be unemployment, and, Gentlemen, when you advocate a policy which will seek to nullify this fundamental law of social improvement, you do injury to the very class of people you hope to benefit.

Let us consider for a few moments the effect such a system would have upon industry. Such a system tends to produce carelessness and inefficiency and slowing up of work, and we must never lose sight of the fact that labor and industry go hand in hand, and when you injure the one you injure the other; when we benefit the one we benefit the other. When we say to the workers "Do your work as you wish, not as your boss requires, for if you lose your job the government has one for you"—when we give that assurance to the workers in our industrial plants we sap from them the very life force of efficient industry and promote industrial strife.

There is yet another matter to take into consideration. If the government undertakes this program, it can follow one of two courses: It could pay a standard wage and provide proper working conditions, or it could pay wages lower than standard and provide improper working conditions; in the latter case it

would draw but few men away from private industries. We do not believe you will advocate such a thing, so we will proceed upon the other course. If the government offered a standard living wage and best living conditions, what would happen. It would attract the better workers from other industries, increase the costly turnover of the industries, and would leave the inefficient laborer, who under normal conditions constitutes the surplus, on the market for private industry. But private industry would not employ this kind of help then any more than it will today, and as a result there would continue to be surplus of labor, so that the program offered by the Affirmative would be an ever increasing burden upon the government and upon society as a whole. It would result in enormous taxes and would ultimately break down under the strain.

Perhaps you will say that this is mere theory, but what we have argued would happen, actually did happen in France when the Government recently undertook a program of providing jobs for surplus labor. The work to be done was located in Paris. Laborers flocked to Paris from every part of France, leaving jobs they had, to get government work. Paris was soon crowded with unemployed. The Government could not meet the situation, and in the meantime, the industries in other parts of France were crying for workers.

In conclusion, let me ask whether in the light of experience, and in view of the failure of similar systems elsewhere, we can afford to risk the industrial and laboring efficiency of the United States by a program of guaranteeing work to surplus laborers?

THIRD AFFIRMATIVE

C. O. Fenlason, Southern California

Gentlemen: In resuming the argument of the Affirmative, I wish first to call to your attention a fact already pointed out by the first speaker of the Affirmative—that is, that there is a need for our plan; a need in normal times, and especially is there a need for it today. The second speaker showed that our plan is sound in principle and theory. I wish to show that as a business proposition our plan is sound and practicable.

In the first place, we agree with the gentlemen of the Nega-

tive, and with Secretary of Labor Wilson, that the Government should not create employment simply for the sake of giving men jobs. We do not intend that the Government should engage in unprofitable work such as sending thousands of men out on the hill side to dig holes and then fill them up again, or to employ a hundred thousand men to fill up the Pacific Ocean. We propose that our Government should engage in work that will yield a dollar for every dollar invested—work which will confer a lasting benefit upon the people. And the question arises—have we this work to do, and is it of a scope sufficiently large to employ thousands of men?

In the first place I wish to show that there are four classes of work in which the government can engage. The first is that of good road building. We propose that the government should cooperate with communities and states for the purpose of building good roads. I wish to point out that this is no new venture—the Government has done this in the past. Now it would simply be an enlargement of the work in which the Government has already engaged in former times.

In the second place we would have our Government enter into the work of flood control. William Hard points out that in the year 1913 alone \$160,000,000 worth of property was destroyed by flood in this country, and the toll of human life was over 500. He goes on further to state that this loss can be prevented, every cent of it, by the building of levees, the construction of dams, and the building of artificial river channels. He also points out that it is impracticable for small communities to do this work—that local communities are unable to meet the expenditure. So we would have our Government cooperate with the local communities and make these roads, build these dams and levees which would save \$160,000,000 worth of American property and thousands of homes and lives. It is good economy. The building of levees is a saving. What we propose, therefore, is that our Government shall engage in work that will be an investment—work that will prove a benefit to posterity.

What is the third of these things? Secretary of the Interior, Franklin K. Lane, states in his annual report that there are in the United States today between sixty and eighty millions of acres of swamp land. Sixty million acres of this land, he states,

would become good fertile land if reclaimed. Much of this land can be found in Florida. He estimates that in that state alone millions of acres can be reclaimed at \$15 an acre. Other land can be found in the great delta of the Mississippi. He also estimates that the United States possesses today about fifteen million acres of arid land—land which but awaits the touch of water to become as fertile as the valley of the Nile. He points out that a dam built on the Colorado River would reclaim three million acres of this land.

The fourth work that we would have our Government engage in is even greater than this; we would have our Government clear up the cut-over land. Today in the United States there are over two hundred million acres of cut-over land—an area now waste and useless, equivalent to seven times the area of Pennsylvania—land which can be made productive; land which will add to the area of our country and which will provide twenty million homes for American citizens. It is this work we would have our Government engage in, for it is practically unlimited. It is not to be compared with the building of the Roosevelt Dam or the Panama Canal, because we have an area in our own country, about seven times the size of Pennsylvania, which can be made into good productive land upon reclamation.

And now let us consider if our plan would work in practice, because that is after all the acid test. In the first place I wish to call your attention to the fact that we have the National Public Works Commission. This commission consists of a responsible body of men, organized under the Department of Labor. And further, we have under that body responsible boards working out over the country. Now, during normal times when public works are reduced to the minimum, the representatives of these boards go out over the country to locate specific problems; for example, where the great swamp lands exist and what work is necessary to reclaim them, where levees are necessary to keep rivers from overflowing, and similar problems. They will collect all facts and data and have them at their fingers' ends. Furthermore, it will not be incumbent upon the Commission to spend their appropriation in a single year. They can put it away for the rainy day of psychical depression that will come in our country sooner or later. Then, when with all these things on tap

there comes the time of psychical depression (it came in 1890, and again in 1900, or, if you will, it came in 1914 and 1915) when the time comes when men are thrown out of employment, when, after everything has been tried there still exists a residue of men, this residue can be taken care of by the National Public Works Commission. If the surplus exists in the north, the Commission will say to the Board in the north, "Expand the work", and the work will be expanded. The men employed will receive as their wages an amount equivalent to the standard American living wage, and that is good enough for any man, whether he be a tailor, carpenter, or a day-laborer. When this condition ceases and the surplus is cleared away, the work will be contracted. It is estimated that \$100,000,000 expended at the psychical moment, would prevent any depression that could possibly come. That is what we hope for—to have \$100,000,000 on tap and thus prevent any depression. So you see we do have a practical plan which can be expanded and contracted on almost instant notice. And I would point out to you that the work done by these men would be as productive the day they begin work as the day they quit.

With regard to the possible criticism that this plan would provide work only for the laborer, and would not take care of the men who might be thrown out of clerical positions, let me point out that whenever you have an expansion of manual work you will have need for a force of clerical workers. In this way there would be eliminated the surplus of labor in both fields. These considerations alone would justify the Affirmative's case, but our case goes even deeper than that.

As pointed out by the first speaker, not only have millions of dollars worth of war contracts been canceled, turning out thousands of munitions workers, but thousands of marines and thousands of soldiers have also been turned out. Our government does not now have the fertile fields that she possessed at the termination of the Civil War, to apportion among her discharged soldiers. I wish to point out to you that today we have 370,000 men idle. Are these men to remain idle? Are they to be used as battering rams to lower the wages of their fellow men?

There is no loss so complete, no waste so desolate, as the

waste of idleness. Labor, like time, once gone is gone forever. Recognizing this, we propose that our government should immediately expand these public works. Franklin K. Lane states that he can employ 500,000 men in reclamation projects alone, and that he has the plan for the initial arrangements, so that he can start immediately. 500,000 men can be employed at once if the plan is put to work. So you see that in one project alone we have work of sufficiently large scope to take care of all the surplus labor now existing, and more. The system can be applied to the present day situation; and not only that, but the soldier boys returning from France will have something more to greet him than the glad hand. Let me call your attention to the fact that today 370,000 of the men who fought to save the honor of the nation are tramping the streets of the country looking for jobs. Now they are unable to get work in the very country they fought to save; they are dependent upon charity. The soldier wants work, not charity; opportunity, not gifts. Is our nation to sit back and see this waste—see inculcated into the very blood of American life this menace of idleness—without raising a hand? The United States is the richest land in the world, and yet today there is poverty, there is suffering, there is unemployment among the very men who fought to save this land and to preserve its honor, and whom the Negative would now call red-noses.

Theodore Roosevelt recognized the situation. He exclaimed: "We should spend hundreds of millions of dollars reclaiming our land and establishing labor bureaus, so that the soldier may be assured every opportunity to get employment when he returns."

THIRD NEGATIVE

Claude Reeves, Stanford

Chairman, Honorable Judges, Ladies and Gentlemen: As we listened to the recital of the last gentleman of the Affirmative on the conditions that exist in regard to unemployment, I am sure that we could not but feel that the situation could be eliminated, and my thoughts turned back to the year 1907 when I was in Denver and saw men tramping the streets by the tens and thousands. I thought of the year of the Cleveland strike particularly,

when the figures the gentleman gave would sink into significance, when one-half of the entire American working population was tramping the streets looking for work. The gentlemen of the Affirmative, by the very wording of their question, have admitted that they cannot take care of all those men when the time comes that millions of people are out of employment. Certainly we agree with the gentlemen that the unemployment problem is a big problem, and we believe that it ought to be solved, but this has never yet been done.

My colleague, the first speaker of the Negative, has called your attention to several reasons why the government cannot furnish employment to surplus labor—that must come from the city and county. He pointed out that two-thirds of the work to be done was for the local governments. The gentlemen of the Affirmative say we admit that the government should go ahead and provide employment for surplus labor. Certainly we admit it. We are in favor of any movement that will solve the problem. But, the gentlemen must remember the wording of their question—to guarantee a job to every man and woman who labors. Their plan cannot do this. I have pointed out that in the Cleveland strike it would have been utterly out of question. It would have been out of question in 1907 when millions tramped the streets. What would work for 500,000 mean when we have millions out of work. Remember, too, that this is a permanent program; that it must go on and on—it must continue indefinitely to take care of every man and woman that works. Furthermore, if there is work to be done, it must be done at once. If floods must be checked, they must be checked immediately, and not wait until 1926. That reclamation work needs to be done at once, and not put off until a labor crisis arises.

Taking the position that we do in this matter, it is incumbent upon me to show that there is some means by which we can effectually take care of this problem. For the purpose of making my point clear let us for a moment look upon our country as one great industrial organization. It must be apparent that if there is sufficient demand for the goods produced by that organization there will be employment for all its workers, and on the other hand when the demand for the goods produced by our national factory decreases, a corresponding number of workers will be discharged. It is apparent, then, that the first step necessary if

we are to arrive at a proper solution of the surplus labor problem is to increase the demand for American made products. Hence, the great question before us is the creating of a bigger demand for American made products.

Ordway Tead, a man who has studied the problem, says, "We must learn that to prevent unemployment it is necessary to know what the effective demand for goods is, and to produce only enough goods to meet the demand." Over-production will eventually lead to a panic and hence such a general unemployment that no means can remedy. Dr. Swiggett, a government expert on commerce and commercial education, speaking at the University of Southern California, said, "In the United States today we are over-producing. To produce more, unless we find a market, would be disastrous." If the problem before us is simply one of creating new demands for the products of our industries, can you not see that if we take steps to increase the demand for our goods, more goods will have to be produced and more labor will of necessity be absorbed. This plan we are suggesting is not some theory that was worked out especially for this debate tonight. It is the actual solution of the problem of labor unemployment and labor unrest advocated by America's foremost economists. The only solution to the labor problem is for America to develop a larger foreign trade. Not only will the development of foreign trade eliminate unemployment, but it will eliminate many other labor problems. Allow me to quote from Walter F. Wyman, Chairman of the Export Round Table of Boston, as found in the Annals of the American Academy for March, 1919:

"Foreign trade, both export and import, can be tremendously increased. It is entirely a matter of national vision. There are several different goals for which we must strive. First, the abolition of non-employment of the able. Second, the conduct of business at a profit which will make possible remuneration of workers in keeping with present and future standards of living. Third, complete utilization of existing production capacity of plants completed and under construction. Fourth, seasonal industries should be made full year industries. Fifth, the disappearance of domestic depressions in decade cycles. Sixth, eliminate heavy labor turnover. A consistently increased foreign

trade is the leading agency through which these goals can be reached."

Through international commercial exchanges the United States can abolish unemployment of the able, completely utilize existing production capacity, make possible the continuance of high scale remuneration of workers and automatically ensure permanence of these admittedly desirable conditions. In the field of manufactured products it has been carefully estimated that a twenty-five percent. increase in gross sales offers a sufficient factor of safety against domestic financial depression. In times of unemployment of the able a five or ten percent. figure is a national calamity. An increase in our national export sales volume of sixteen percent. will more than absorb even a ten percent. figure of unemployment. It means steady employment without seasonal layoffs for there is a continuous demand for the articles produced.

"The United States", says Mr. Wyman, "has no choice. Either it must be content to face nation-wide unemployment, or it must be a serious exporter."

The Federal government says that foreign trade can be doubled and trebled—that American products can go to every quarter of the globe. We are today building the world's greatest merchant marine for that very purpose. This, Ladies and Gentlemen, is the only sound and practical way of doing away with unemployment.

President Wilson, in his recent message to Congress, said: "Labor legislation lies of course chiefly with the state, but the new spirit and method of organization which must be affected are not to be brought about by legislation. Legislation can go only a very little way in commanding what shall be done. The organization of industry is a matter of corporate and individual initiative and of practical business arrangement."

Ladies and Gentlemen, do you not see that one of the great tasks that is before us, and only one, since we are handling this problem, is to do the very thing that has been suggested by the American President? Now, in quoting Secretary Lane, I would like to ask the gentlemen of the Affirmative—Does Secretary Lane, or does anyone else guarantee, or say for one moment, that their plan will absolutely guarantee to every man and

woman out of work a job? They do not. They say it will help some. And does this meet the requirements of the Affirmative tonight? Not by a long bit!

There is another thing that tends toward unemployment—that is, the distribution of labor. Suppose we do the very thing that the Gentleman has suggested, that we clear up a Sahara desert somewhere, how are they going to take care of the distribution. President Wilson says that our chief problem is the problem of distribution, and that there are but two ways of handling this problem; one is by Federal agencies, and the other by creating new opportunities for individual enterprise. Nathan A. Smith, Congressman, writer, lecturer, says, in a recent speech in Washington: "Had we had the present public employment system at the time, the unemployment and misery in Eastern industrial centers during the winter of 1915 could have been alleviated by directing the jobless to other parts of the country."

If, Ladies and Gentlemen, the problem during one of America's greatest labor crises was one of distribution, we fail to see how the creation of a few new jobs would in any way solve the problem. The problem is that of getting men from Los Angeles to San Francisco and back again. How are the gentlemen of the Affirmative going to solve that problem unless they adopt the very plan we are suggesting.

Another factor is the problem of immigration. In October, 1907, the year of great unemployment, upward of 100,000 immigrants came to the United States. Now the plan advocated by the Affirmative would greatly encourage immigration. You publish to the world that the Federal government has agreed to guarantee all men work and there will be a great increase of immigration. The Gentlemen might say that they would limit immigration, but to do so is to further prove our contention that the scheme, without being bolstered up by the plans we advocate, is not workable. Furthermore, the adoption of our plan renders theirs unnecessary. We propose proper restrictions as a further means of solving the surplus labor problem.

Another factor, as we have already said, is the problem of seasonal trade. The way to eliminate seasonal trade is to create a continuous demand for the products that are now demanded only part of the year; a foreign trade alone will do that. Take

the case of the tailor who makes the coat for which there is a demand only six months in the year. The gentlemen of the Affirmative think he ought to be willing to work as a tailor for six months of the year, and then dig ditches for the other six months. Would it not be better to take these coats, which demand only six months' seasonal trade in this country, to South America, and create a market there, giving the tailor twelve months' work instead of six?

That is exactly what would occur if we increased foreign trade. If it is winter here, probably in some other part of the world they will need summer clothes.

Honorable Judges, Ladies, and Gentlemen, with this we rest our case. We have shown, I think, that if we could admit the wisdom of governmental action along the line suggested by the Affirmative, that action should come from local state and city governments. It is out of the jurisdiction of the Federal government. We have shown that in theory the plan is wrong and would be disastrous to labor, to capital, and to society as a whole, and finally we have shown that it does not touch the underlying cause of unemployment, and unless bolstered by methods, which if adopted alone would solve the problem, it would fail. We have shown that the real solution is to create a demand for goods, and how the growing demand for goods would not only put the man to work but would make him an independent creature.

My friends, the laboring man today is not looking for a mere job. He is looking for an opportunity to live, and grow and develop—an opportunity to be a man. And only the plan which we have suggested, which is a common sense plan, and a workable plan, can solve the problem of labor unrest.

FIRST NEGATIVE REBUTTAL

Louis F. D'Elia, Stanford

Worthy Opponents, Ladies, and Gentlemen: There seems to be a little misunderstanding this evening, a quibbling over the term "surplus labor". The Affirmative have said that it means that labor which industry can not induct into its various branches. And we are also told that the term "surplus labor" is

a synonym for the term "unemployed", and means those who are able to work, willing to work, and unable to secure work. Surplus labor is that labor which industry is unable to take into its various branches—the men and women who are able to work, willing to work, and unable to find work.

The Affirmative have cited various authorities on buffer employment, but you must understand that we have stated that a system of buffer employment is just what we believe in. But buffer employment does not mean the guarantee of work—it does not mean that every man and woman who is able to work, willing to work, and unable to obtain work, is to be guaranteed a job. Let me quote from a letter from John R. Commons head of the Department of Political Economy at the University of Wisconsin: "Replying to your letter, would say that it seems to me very doubtful indeed whether the Federal government should endeavor to furnish employment to surplus labor. I can see how public work might be used to supplement private employment by being placed in periods of depression rather than periods when private employers are busy. Otherwise, I do not see how the government could take hold of employing surplus labor."

You must mark the difference between the meaning of giving a limited number of jobs, and furnishing a permanent guaranty to employ all surplus labor. That is what the question requires, and that is what the Affirmative are unable to meet. Also, their plan must not only reduce the number of surplus workers, but it must be able to guarantee a job to every man and woman out of work, who is able to work and willing to work. But they have not presented such a plan. They have failed to see what the question calls for. They say they can employ any number of men; that the work they propose to do is unlimited. But the question calls for a permanent program to meet all conditions; we have cited as an illustration times of panic when millions of workers are unemployed, and the Affirmative have not proved that they can meet these conditions. Of course these are abnormal conditions, but the Affirmative in order to support their case have to meet abnormal conditions; but they have failed to provide for them. We must realize that their plan is to be a permanent program, and in a permanent program such conditions must be taken into consideration.

They say that they can give a job to every man out of employment, but have they proved that their plan will *guarantee* a job to every unemployed worker. You must realize the element of guaranty to which we object. They have stated that their plan will provide work, but they have never said that it will guarantee work, and when it fails to guarantee work it fails to meet the question. Therefore the plan which the Affirmative is proposing and obliged to support must have in it this element of guaranteeing a job to every man and woman out of work; otherwise it does not meet the question.

And remember, too, that they have not taken women into consideration. Every man and woman who is able to work, willing to work, and unable to obtain work, must be given a job. Their plan must be elastic enough to meet any kind of condition at any time. The question implies the guaranteeing of jobs to women, because when women are employed they are classed as laborers, and are surplus labor when unemployed. They must guarantee a job to every woman who is out of work, but is able to work and willing to work.

FIRST AFFIRMATIVE REBUTTAL

R. C. Fisher, Southern California

Ladies and Gentlemen: Our friends, the gentlemen of the Negative, have said that to prove our case we must show that we can provide employment for all the men that are employed today. We have shown that by the very nature of the terms of the question this is not necessary. The question states: Resolved, that the Federal government should furnish employment for surplus labor. Now, what is surplus labor? There we seem to be at the crux of the question. We do not wish this to hang on some mere quibble of terms. Let us see what the real nature of the term "surplus of labor" is. To begin with, "surplus of labor" must be taken to mean all that labor which can not be provided for by normal industry. Why should this be so? Well, the very nature of the word "surplus" assumes something in residue—something which cannot be provided for under normal conditions. Therefore we believe our interpretation of the words "surplus labor" is correct—it is something which cannot be pro-

vided for by normal industry. We would be foolish to say that the United States should furnish employment to men who might be employed by some better means of distribution. But we do not say that; for those who can not be provided for in the normal industrial pursuits of the nation—for these men we would have the Federal government furnish employment. To the question, is there a surplus of labor at present, the answer is, yes. There is today an actual surplus of over 370,000. We do not need to say that the surplus today is one of 2,000,000 men, for it is not. Why is it not? Because surplus labor is that labor which can not be provided for by normal industries. Thus we see that the United States Employment Service Bureau, by means of better distribution, has provided employment for all but 370,000 men. These are the men that constitute the surplus labor of this country, and these are the men which we of the Affirmative propose to employ.

Moreover, the gentlemen of the Negative in the first place admit that there is, and will be recurring from time to time, a condition of surplus of labor. They admitted that we have from time to time psychic fluctuations, and they propose as a counterplan to bolster up our foreign trade. England has had that same foreign trade, and she has suffered the same psychic fluctuations. Germany also has a large foreign trade, and she likewise has suffered from periods of acute unemployment. What is the cause of this. Industry produces more than is actually consumed. The same would be true if we increased our foreign trade. And, whenever for any reason our foreign traders should be overstocked, what would happen? We would have this same let-down in industry, and our past history has shown that such conditions will come from time to time in our industrial history. We propose that when such a time comes the Federal Commissions shall expand the work which they are created to provide, and thus tide men over the period of depression. We have seen that our plan in the year 1919 would provide employment for 500,000 men. Surely that is adequate to meet the conditions we have at present, and which we will have in the future.

SECOND NEGATIVE REBUTTAL

Roy Reames, Stanford

Mr Chairman, Honorable Judges, Ladies and Gentlemen: The labor turn-over in the United States is quoted by the United States Employment Service at two million. The gentlemen of the Affirmative have refused to consider this. They say they will give the returning soldier a job, and keep him from the Bolsheviks, and that this condition will result from their plan if it is successful. Our plan has not been attacked by the Affirmative. We claim the same things for our plan. They say the soldiers should be given jobs, since we have snatched them from their positions, taken them to France, and dumped them back again. They say that the soldier does not care to go back to the old position that he held before the war. Where do they intend to send him? To the swamps? Is that better? We offer him what he had. You offer him the swamps. Do the gentlemen of the Affirmative consider that the laboring man is merely a thing—that they can ship him to San Francisco and then ship him back again? They have said that their plan is elastic. But have they proven so? No! They say they are going to move all the workers in the United States in a month. Can they do it? No. Do you know that there are over twelve millions of workers in the United States? Have you met them? If you haven't you haven't provided for surplus labor. Therefore your case fails. You say the Federal government can take care of surplus labor by your system, yet you bolster up your system by work that belongs to the city or municipality. You claim that you can put all the men to work during a panic, which means millions and millions of men, but you have not proven this. The Affirmative advocate a plan which guarantees a job to all men—the lazy, the careless, the indolent, the shirker—do you want your government work done by these men? The Affirmative have refused to consider this claim. They have nullified the laws of social improvement. What have you to say about it?

Furthermore, they have advocated all these things, but they have not offered proof that they could take care of more than a million. We have offered proof that surplus labor consists of

over a million. What have they to say? We offer a plan that would eventually employ more men, ten times as many as the gentlemen of the Affirmative offer to employ by their plan. We have shown the difficulties in their plan. We offer a plan whereby a large number of men could be permanently employed—a plan which would increase manufacturing enterprises. The Affirmative have refused to consider our plan.

SECOND AFFIRMATIVE REBUTTAL

Lawrence B. Martin, Southern California

In considering the case of the Affirmative, let us summarize a few facts. In the first place the Affirmative have shown you that according to past history there have been periods of acute unemployment at various intervals; that we are at present entering such a period, and that we can expect such conditions to recur from time to time in the future.

Now let us consider the arguments of the Negative for a few moments. They say that by guaranteeing work our plan will destroy initiative. Secretary Wilson has pointed out very clearly that the United States does not owe a man a job; all the United States owes a man is the opportunity to work. Furthermore, there is the question of incompetence. They paint a great picture of red-noses, tramps, thieves.

In the first place let me point out that we have a problem of surplus labor in our discharged soldiers and sailors; and there is a further surplus caused by the cancellation of munitions contracts. These are the men that must be given employment, and these are the men that constitute the surplus labor to which the plan of the Affirmative applies. We admit that our plan would not furnish work to crazy people and imbeciles; we realize the futility of such a plan. But we propose to give those American citizens who want work, and who have a right to work—to give them employment through the Public Works Commission. As I pointed out before, this Public Works Commission will cooperate with the city, county, or state whenever feasible. California could never have built her wonderful roads without the help of the Federal government. We are basing our arguments on a plan which will build up public works and at the same time

do away with surplus labor. Every man in the United States Army and Navy hopes upon his return to receive employment. Our plan in solving the problem will meet it in such a way as to justify itself. Those American citizens who want to work, who are willing to work, must be given the opportunity for work, and our plan gives them their just and right opportunity. Furthermore, our plan, because of its flexibility, covers projects in every part of the country, and we can therefore meet conditions wherever they happen to arise, on the Pacific Coast, in the South, North and East—building roads, reclaiming swamp lands, building dams, and other necessary public works.

Thus we see that the Affirmative show this evening, first, that there is a surplus of labor and that this surplus is such at the present time that it requires action, and that we may expect periods of labor surplus from time to time; in the second place, we have shown that the plan which we propose is within the scope of Federal action, and is too large to be carried by the state, the county, or the municipality. I have shown that our plan is sound, because it meets the problem in a business-like way and carries out our obligation to our discharged soldiers and sailors. I have also shown that our plan is practical, for it will give the United States needful public improvements and at the same time will solve the problem of surplus labor.

THIRD NEGATIVE REBUTTAL

Claude Reeves, Stanford

We do not like to quibble over terms, nor do we like to find fault, but we want you to understand that we are not forcing the Affirmative to any unfair position. When they chose the Affirmative they took upon themselves the responsibility for the question, Resolved: That the Federal government should furnish employment for surplus labor.

The gentlemen of the Affirmative say that they have quoted authority to show that the foremost men of the United States are in favor of such a plan of public improvements; we admit that the foremost men in America are in favor of public improvements; so are we. But they have not quoted authority to show that the responsibility of this debate will be satisfied by

their method. Secretary Lane never said that to go into the swamps would meet the problem of this debate. Further, they have not said one word about the woman problem, and that is a very vital one. If they are going to solve the problem of unemployment, that is their responsibility. That is a just charge, and we are asking them to take it. When the question was offered they chose the Affirmative and we took the Negative, and it is up to them now to establish their side. That's all.

So far as England and her commerce are concerned, let me say I did not give my own opinion but quoted authority when I said that this was the only method that would solve the problem. The Gentlemen gave their own opinion; I quoted authority. If authority is not of more value, I fail to see it. I quoted Mr. Wyman as one, and President Wilson as another. President Wilson said: "The only way to handle the soldier problem is to create more opportunities for individual enterprise."

We have considered this question backwards and forwards. While money does not enter into the consideration of any plan that will solve the problem, let us take a few figures. The gentleman of the Affirmative states that they have a project right now on which they could employ 500,000 men for 30 days. I have a book here, published in 1918, in which the author says that of the money expended to employ 600,000 men for 60 days, forty percent. would go for overhead expenses. To employ 500,000 men for 30 days would consume almost \$2,000,000 in overhead expenses. Further figures make it seem almost utterly impossible. And at times like the Cleveland strike the figures would be appalling.

The gentlemen of the Affirmative state that there is a need for their plan. We contend that there is a need for some remedy—not for their plan. There is a need; and there are men out of employment, even more than they have indicated, the number varies from 100,000 to 6,000,000. And they base their contention on the fact that they could employ 500,000 men, and that the Government build roads for which states and counties are responsible. The Government *could* come into a state and build their streets, but it is not probable.

Furthermore, the gentlemen of the Affirmative have failed to show that their plan will guarantee a job to every man and woman who is unemployed and in need of work.

We have shown that their plan can not work, and we have shown authoritatively that in order to solve the labor problem they must go deeper. The laboring man of America has got to have the problem solved in a different way. They must go to the heart of the question to solve this thing for the American laboring man.

THIRD AFFIRMATIVE REBUTTAL

C. O. Fenlason, Southern California

As the last speaker of the Negative has said, we do want to go to the heart of this question. And what is the heart of the question? First, we must establish the fact that there is a surplus of labor in normal times; that there is a surplus today. We pointed out that there is a surplus today, and that that surplus alone warrants the adoption of our plan. Do the gentlemen of the Negative dispute that point? Do they propose any other means by which the soldier could be given employment today? Do they propose that those men should remain idle? Do they propose that the men who fought for the honor of this country shall walk the streets starving and be objects of pity and charity? They ridicule me when I say that we will go to the swamps and deserts. But they have failed to give any plan that would meet the present situation.

We have given you a plan which would meet the present situation. We have over 370,000 men unemployed at present. Secretary F. K. Lane says we can employ 500,000 men right now on the building of a dam. Mr. O. F. Mallory and Mr. H. G. Moulton claim that 2,400,000 men can be employed in public works immediately. We will actually furnish the employment. Thus we see that right now the present situation justifies the case of the Affirmative.

But let us consider normal times. Let us see if this system will or will not furnish jobs for the unemployed in normal times. The gentlemen of the Negative say that we have been building public works since the very birth of our country and still we have always had this condition of unemployment. If it has always existed, why will it not be so in the future? They say

that to eliminate this condition all we have to do is to increase our foreign trade. They say they will take up all the men and women that are unemployed. How are they going to do it? How are they going to take the women up. Will this really solve the problem—increase our foreign trade. Ladies and Gentlemen, if the increase of our foreign trade would solve the problem, it would follow that the nation that has the largest foreign trade would not be troubled with the problem of unemployment. Who has the largest commerce in the world? Whose flag is carried to every country of the globe? England. And in England they have some of the greatest problems of unemployment.

Right now we can take care of 2,400,000 men, and with our plan in action we can take care of twice that number. That meets any surplus which will ever occur. We propose a plan whereby the government will actually create jobs, and by creating jobs will do away with surplus labor. We believe that our government should create opportunities, not charity. And furthermore, our plan will inculcate into the hearts of the American citizen a spirit of loyalty, and not of Bolshevism.

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CHAPTER IV

GOVERNMENT OWNERSHIP OF RAILROADS

COE COLLEGE

versus

MONMOUTH COLLEGE

RESOLVED, *That the Federal Government should own and operate the railroads of the United States.*

This is a report of the dual debate between Monmouth College, Monmouth, Illinois, and Coe College, Cedar Rapids, Iowa, which took place April 15, 1919. The Coe Affirmative team met the Negative team for Monmouth, at Monmouth, the decision being three to one in favor of the Monmouth team. On the same evening the Negative team representing Coe College met the Affirmative team from Monmouth, at Cedar Rapids, the decision being two to one in favor of Monmouth.

The bibliography has been supplied by Mr. Chas. T. Hickok of Coe College, and was revised by Miss Julia E. Johnsen. The first of these two debates has been briefed for this volume by the editor.

BRIEF

GOVERNMENT OWNERSHIP OF RAILROADS

AFFIRMATIVE

Introduction:

- A. Since 1850 the railroads of the United States have been largely instrumental in opening up new territory and in making possible the fullest development of territory already settled.
- B. From the first our railroads were built, owned and operated by private corporations, aided by grants of land and bounties from Federal, state and local governments.
 - I. From this it is evident that the roads were recognized early to be of the nature of a public service.
- C. During the formative period competition was sufficient to regulate the roads but as soon as the roads began to consolidate, competition became inadequate.
 - I. Congress, however, maintained its faith in competition as a form of regulation, and to preserve it and to eliminate the evils then existing in private railway management, passed the Interstate Commerce Law.
- D. The success or failure of this plan of regulation is the issue for this debate.
- I. The railroads are essentially and peculiarly public in nature.
 - A. The welfare of every man, woman and child in the United States is inevitably bound up with the transportation system.
 - B. The right of eminent domain which the railways possess labels them as essentially of a public nature.
- II. The evils inherent in our present system of private ownership of railways demand government ownership and operation as a remedy.

- A. Unjust discriminations in rates and services are still abundant.
 - 1. As soon as one form of discrimination is eliminated another takes its place.
- B. Our private railroad system is a menace to the political, economic and financial freedom of the country.
 - 1. It has been sacrificed to the advantage of the men on the inside—the speculator, the railway overlord, and the financier.
 - 2. Under private ownership the railways are not run for ownership, nor for a reasonable profit for stockholders generally, but for large profits for a few.
- III. Expediency demands that government ownership and operation of the railways be adopted.
 - A. It is the only practical way out of the difficulties that confront us.
 - 1. To return the railroads to private ownership, with conditions as they were before the war is impossible.
 - a. Railway managers could not finance the roads at present, to say nothing of the future.
 - B. Other countries that have adopted government ownership of the railroads have done it largely as a matter of expediency.
 - C. Government regulation of our privately-owned railway systems has failed.
 - 1. Regulation has resulted in driving roads from one means of concealing profits to another with the sole purpose of reaping profits at any cost.
 - a. The Interstate Commerce Commission is constantly forced to attempt to regulate something it cannot see.
 - 2. We cannot hope to make our system of regulation more efficient in the future.
 - a. The evils of our present system are inherent and cannot be removed by legislation.
 - b. As each new regulatory measure is passed the best legal talent is put to work to find some means of evading it.

3. To accomplish successfully what the Interstate Commerce Commission is trying to do, the government must step into every phase of railway activity.
 - a. This would mean government ownership and operation.

IV. Government ownership is a practicable solution of the railway problem.

- A. A workable plan of administration can be devised.
 1. At the head of the entire transportation system would be placed a non-political board of practical railway men appointed by the President for long terms. Not more than four of the seven members could be of the same political party.
 2. Under this central commission there would be regional boards and under these, district boards, all appointed by the commission next higher up, and chosen for their ability and experience as railroad men.
 3. The essence of the whole plan is the elimination of party politics and the recognition of merit and efficiency in appointments.
- B. The United States government has demonstrated its ability to conduct business enterprise.
 1. This has been shown in the building of the Panama Canal.
 2. Our postal service is better and cheaper than would be possible under private enterprise.
 3. The Government has demonstrated its ability to run the railroads successfully during the period of Federal operation of the railroads.
 - a. Great economies have been introduced into the operation of the roads.
 - b. By unification of the roads, more adequate service was secured from the facilities at hand than ever before.
- C. Government ownership will make possible the introduction of still greater economies in the service than have resulted from government operation.
 1. The Government can borrow money at lower rates than private investors are able to.

2. Unearned increment in the value of the roads would accrue to the people and not to the owners of the roads alone.
3. Competitive waste could be eliminated completely.

NEGATIVE

- I. Experience shows that private ownership is superior to government ownership.
 - A. The best railway system in the world has been built up in the United States under private ownership.
 1. Our freight rates are lower than those of foreign government-owned roads.
 2. Our roads are operated on a lower capitalization per mile.
 - B. Government ownership has been a failure where it has been tried.
 1. A commission appointed in Italy to investigate the question, after five years of exhaustive study, decided in favor of private ownership.
 2. The French, Russian, Australian and Canadian government-owned railroad systems are not profitable financially.
 3. Some of our own states tried government ownership and found it a failure.
- II. The adoption of government ownership of railroads would involve insurmountable financial difficulties.
 - A. The purchase of the railroads would almost double our present National debt.
 - B. It would be almost impossible to raise the necessary funds.
 1. It was difficult to raise the Victory Loan of less than one-fourth of the amount required for the purchase of the roads.
 2. The banks would not support this as they did the Victory Loan.
 - C. The amount of interest to be paid annually on the bonds would be so great as to make it practically impossible.
- III. The Federal Government is inefficient in business administration.

- A. The Government does not secure the most efficient men for its service.
 - 1. There is not the inducement of high salaries that private industry can offer.
 - 2. Promotion depends not on merit but on seniority in service and the spoils system.
 - 3. Able men are unwilling to submit to the vast amount of "red tape" that always exists in public service.
- B. Political evils are the blight of every public enterprise.
 - 1. If the Government were to buy the railroads it is probable that sectional favoritism would prevail.
 - 2. The office-seeking and office-holding class would be increased enormously.
 - 3. A powerful class of government employees would be created.
 - 4. The efficiency of the railroad employees would be lessened.
 - a. Their selection would have to be made on the basis of political patronage which means the spoils system, or by civil service which eliminates personal interest and initiative.
- C. The Government is wasteful and extravagant in the expenditure of public funds.
 - 1. Money is appropriated for various undertakings by the "pork-barrel" system.
 - a. Post-offices are built, where they are not needed.
 - b. Money has been spent recklessly on rivers and harbors where no advantage has been gained.
 - c. A large part of the recent appropriation for aeroplanes was absolutely wasted.
- IV. Initiative, man's most valuable possession, will be lost by nationalization of the railroads.
 - A. Red-tape, politics and the seniority rules of government operation are deadly to man's natural initiative.
 - B. Our privately-owned railroad systems are at present the best field for American initiative. This field would be lost thru government ownership.
- V. The majority of the American people are opposed to government ownership of the railroads.

- A. Public opinion, as voiced by the magazines and newspapers, is against it.
 - B. Business men and working-men alike have expressed their disapproval.
 - C. With one exception every member of the Interstate Commerce Commission voted against it.
- VI. If government ownership is to be a success we must remold our government on the highly centralized theory of Prussia.
- A. Prussia is the only country of any size where government ownership is even moderately successful.
- VII. There is no reason why our present system of railway regulation should not be perfected to overcome the present disadvantages.
- A. We have perfected our method of regulating our banking systems after one hundred and thirty years of experiment.
 - B. The railway situation has steadily improved.

GOVERNMENT OWNERSHIP OF RAILROADS

COE COLLEGE

versus

MONMOUTH COLLEGE

FIRST AFFIRMATIVE

Owen F. Rall, Coe

Mr. Chairman, Ladies and Gentlemen,—Since 1850 the railroads have been largely instrumental in opening up new territory and in making possible the fullest development of territory already settled. From the very first our railways have been built, owned, and operated by private corporations, aided, however, by enormous land grants and bounties from the Federal, state and local governments. The railroads have been granted an extent of land equal to the combined areas of Ohio, Indiana, Illinois, Missouri, Wisconsin and Iowa. Local communities, bidding against each other, often paid huge sums of money to influence the railroads to enter their territory. So we see that while the railroads were not regarded as a purely governmental venture, their public nature was early recognized.

During the formative period, competition was sufficient to regulate the railroads, but as consolidation started competition became wholly inadequate. Still placing faith in competition, however, Congress passed the Interstate Commerce Act in 1887 to maintain competition and eliminate certain positive evils which had appeared early in our private railway managements. The success or failure of this plan of regulation, evolved in thirty-two years, will no doubt be discussed in the debate this evening.

In arguing for the adoption of government ownership and operation of the railroads, the Affirmative does not hesitate to assume the burden of proving that this step should be taken.

Our case this evening is constructive; that of the Negative, by its very nature, destructive, and the Negative must, of necessity, support that system of private ownership and government regulation which has characterized our railway history. Should the Negative propose a compromise plan or a purely theoretical solution of the railway problem they will, of course, assume an equal burden of proof.

In laying the Affirmative case before you this evening, I will show that the railroads are essentially and peculiarly public in nature and that inherent evils in our private system demand government ownership and operation.

Before proceeding farther with the debate, let us draw a very careful distinction between ordinary private businesses and the railway business. The Supreme Court has held: "It has never been considered of any importance that the railroad was built by the agency of a private corporation. No matter who is the agent, the function performed is that of the state. Though the ownership is private the use is public." No doubt the court had in mind in making that decision that the welfare of every man, woman and child in the United States is vitally considered, is immeasurably bound up, in the transportation system. Aside from these facts, there is one other thing which labels the transportation business as public in nature. That is the right of eminent domain, the right to take land without the consent of the owner. The railroad was given this right, not as any special favor, but in recognition of the public nature of the railway business. The exercise of this power was an admission that the railways exist, not through any private initiative, but by the grace of the people of the United States. These, then, are the conditions which draw a distinguishing line between the usual private business enterprise and the railway business enterprise. And these are also the reasons why a private monopoly of the railroad business is so abhorrent to the American people. In speaking of the public nature of the railways and the danger of monopoly, Representative James W. Bryan of Washington [state] says: "Private monopoly can not be permitted in this country. It is the unpardonable sin; it is blasphemy against this Republic for any set of men to place themselves in position where they can say, 'We constitute a \$20,000,000,000 monopoly and in twenty years we will constitute a \$50,000,000,000 monopoly.

We will have the power to make and unmake cities and sections.'"

And let me sound a warning right here. The railway magnates are crying from coast to coast that the true solution of the railway problem is through coöperation and not competition. Private railway officials are wont to call elimination of competition coöperation, but what they want is a giant transportation monopoly. By the statement of the railway men themselves, we must have private coöperation of government ownership. In other words, we shall have private monopoly or public monopoly. We agree that the monopoly is the superior form of organization but we insist that our railroad monopoly shall be public and not private. Should the Negative propose a system allowing mergers, pooling, and other attempts to get the benefits of government ownership under private management, mark that down as an attempt to eliminate competition. Should a system of regional incorporation under the Federal government be proposed so that one large railway will serve a district, mark that down as an attempt to saddle on the American people a transportation oligarchy.

In the debate this evening it will not be the purpose of the Affirmative to exaggerate the evils inherent in our private railway managements or to magnify the benefits to be derived from government ownership and operation. Our plan is not a panacea for all our transportation ills; it is not Utopian.

There are three things which every country has a right to demand of its transportation system: adequate service at reasonable rates; impartiality of rates and services with respect to every business, town, and section, and; lastly, that the system which makes this possible shall not in itself constitute a menace to the political, economic or financial freedom of the country.

In discussing the first point—that of the absolute reasonableness of American freight rates, we say without hesitation or fear of contradiction that American railway freight rates are the lowest in the world. And in this statement we see no reflection on the public owned systems of other countries for every other railway system, whether public or private, charges an average rate higher than the American railways collect. This is a tribute to *American* efficiency and ingenuity.

But in discussing the second point, the impartiality of rates

and services, we are forced to admit that only a low railway morality has made possible the Standard Oil discriminations and other nefarious intrusions on the rights of the people. The Negative may attempt to point out that these discriminations have disappeared. Years ago the railroads themselves told us that they had had a change of heart, they had reformed, Standard Oil discriminations were ancient history. And then came an Interstate Commerce Commission report, a New Haven scandal, a meat-packers' investigation and we were forced inevitably to the conclusion that just as soon as one form of discrimination is eliminated another even more pernicious takes its place. Martin A. Knapp, former chairman of the Interstate Commerce Commission, has said: "It is impossible to conceive of the absence of discrimination in the presence of competition."

The third question which comes up is: Does our private system involve a menace to our industrial or financial freedom? It is our contention, Ladies and Gentlemen, that the railway business is a highly legitimate undertaking but that it has been sacrificed to the advantage of the man on the inside—the speculator, the railway overlord, and the financier. The discriminations, the attempts at monopoly, the stock-jobbing—all will continue as long as our railways are run for profit. What cares the big stockholder if the public suffers, if the ordinary small stockholder suffers, so long as he does not suffer? What cares the corporation magnate if the corporation itself is driven to the wall as long as he makes a private fortune? The confidence of the small investor has been betrayed time after time until now he refuses to invest his money unless assured a rate of interest commensurate with the speculative nature of railway securities. Perhaps this may seem strong language to use in referring to railway securities, but the stockholder, perhaps a widow, who now holds pieces of paper which were once Rock Island railway stocks, is not easily convinced that railroad securities are a conservative investment. Mr. Mellon and his associates in the New York, New Haven and Hartford were not nearly as interested in making a legitimate business profit from the railroad as they were in stock-jobbing, manipulating in stocks and bonds. The cream of the energy of every so-called big railway man in the United States is not spent in running the railroads for a legitimate profit but in watching the stock-ticker. As a matter of

fact, the railways have been run by practical railway managers who work long hours and who do their work just as well as the financial policy, laid down by the man higher up, permits. We do not contend that the railway men will get a providential grant of power under government ownership and operation but it seems to us that the practical railway men can run the railways more for the welfare of the people under the government than under the financial barons. Our railway question is not merely one of efficiency, but one of efficiency for whom and for what. For the financiers or for the people? For profits or for service? Which shall our railways serve?

It has been my purpose to show that the railroads are peculiarly and essentially public in nature; that our railway system is tending toward a natural monopoly, and that there are inherent evils in our private railroad system which demand government ownership and operation.

FIRST NEGATIVE

J. Walker Milne, Monmouth

Mr. Chairman, Honorable Judges, Ladies and Gentlemen:—The Affirmative have stated that we have to favor the pre-war system of private railroad management, but this is irrelevant, the Affirmative must show that government ownership and operation is superior not only to the pre-war system, but to any and all possible systems of private railroad management. The duty of the Negative in this debate is to oppose government ownership and operation and that duty will be cheerfully accepted by the Negative.

We are discussing tonight a policy which is tremendously radical and revolutionary. Our opponents are advocating that this government assume absolute responsibility for the future destiny of a twenty billion dollar business and the welfare of two million railway employees and their dependents, but this government was organized to make laws and not to act as a business corporation. Therefore, in order to justify their position the Affirmative must assume a burden of proof which is enormous, they must establish the following six points. First, that private ownership before the war was totally inefficient and unsatisfac-

tory, Second, that the government would be justified in assuming a national debt of twenty billions of dollars involved in the buying of the railroads, Third, that government ownership would not create more evils than it is supposed to eliminate, Fourth, that rates would be lower and service better, Fifth, that politics would not corrupt railroad management, Sixth, that it would be sound in theory and American in principle.

The Affirmative have pointed out certain evils which they maintain have existed under private ownership and they claim that because of these evils government ownership is necessary. Now the Negative will admit that certain evils have existed under private ownership, but evils are bound to exist under any management, for to say that the railroads are imperfect is only to say that they are directed by human agency. The Affirmative must remember that although the Interstate Commerce Commission was created in 1887, it was not until 1906 that it had any power to enforce its regulation and was thus merely an advisory body, but that in 1906 through the Hepburn Act Congress gave the Commission power to enforce its decrees, and these powers were increased in 1910 by the Mann-Elkins Act and in 1914 by the Clayton Act, and that since 1906 many of these evils have been eliminated and the others have decreased. Professor Fetter of Columbia University says, "Most of those evils existing under private ownership can now be spoken of in the past tense." So it is absolutely necessary for the Affirmative to show that any evils that they may point out did exist on December 27, 1917 when the government took over the roads, or else they are irrelevant and beside the question. And we insist that the few defects in our present system of regulation which has not yet reached its most efficient stage do not necessarily condemn the principle of regulation.

The Negative will base their case tonight on the following four arguments: First, experience shows that private ownership is much superior to government ownership, Second, the adoption of such a policy would involve insurmountable financial difficulties, Third, government ownership would be impractical, because the ablest men would not be attracted to government service, politics would wreck its honest operation, and customary government extravagance would prevail, and Fourth, private initiative would be destroyed.

History shows that the present greatness of this nation is largely due to the rapid development of new territory, made possible through our great systems of privately owned railroads. During the last seventy-five years private initiative and capital have built up in a frontier country what is generally recognized as the best system of railroads in the world. The Review of Reviews says, "No other country in the world has had a railroad system so extensive, so complex, and all in all as satisfactory as the American railroad system." And Professor Van Meter of Columbia University says, "The American railroad is more efficient than any other system in the world."

Let us compare the freight rates of our own privately owned railroads and those of foreign government owned roads. We find that in America between 1880 and 1913 that freight rates were cut from 1.3 cents per ton mile to .7 of a cent, or reduced practically one-half, while in centralized Germany, where government ownership and operation has reached its highest efficiency, we find that the freight rates are eighty percent higher than in America, this difference alone would have cost the American people \$1,700,000,000 annually. In Belgium the freight rates are fifty percent higher than in America. In France seventy-five percent higher; in Denmark three times as high, and in Australia even four times as high, and these are the countries in which government ownership and operation has had the greatest degree of success.

Let us now compare the capitalization of different railroad systems. We find that the American railroads have operated on a capitalization per mile of \$41,000 as compared with \$113,000 in the German empire, \$123,000 in Italy, \$146,000 in France, and even \$275,000 in Great Britain. We also find that the government owned roads of Denmark increased their capitalization twenty-seven percent while the railroad mileage increased only two percent, thus showing that over-capitalization and watered stock have also existed under government ownership.

The Affirmative in arguing for this radical policy are advocating a measure which has been a dismal failure wherever it has been tried, for although government ownership and operation has been tried in Italy, Belgium, France, Australia, Denmark, Canada, and even five of our own states, in not one of these has it been a success.

In order to make a fair analogy we will not compare the

roads of one country to those of another, but we will use for comparison private and government owned roads in the same country, operating under the same laws and restrictions and thus having equal chances for success.

In Italy a commission was created to investigate government and private ownership, and after five years of the most exhaustive study they decided in favor of private ownership, and advised their government to get out of the business, giving the following three reasons: First, that services rendered by the state are not as efficient as those rendered by private corporations, Second, that the state was more apt to tax industry than it was to foster it, and Third, that politics would corrupt railroad management, and railroads would corrupt politics.

In speaking of the government railroads of Belgium, Mr. Acworth, the famous English authority, says: "Shortly before the war the Belgium government was considering the problem of returning its roads to private management."

In France, the Western Railroad under private ownership and operation had made an annual profit, but since 1910, when the government took it over, the annual deficit has increased until in 1913 it amounted to \$18,000,000.

In Russia, the government owned roads failed in 1908 by \$35,000,000 to even pay expenses.

In speaking of the Australian government owned roads, Mr. E. E. Clark, member of the Australian Parliament says: "The government roads never have been able to pay expenses, every year the taxpayers have to go down in their pockets to make good the deficit."

In Canada, where the operating conditions and problems are almost identical to those of the United States, we find the same failure of government ownership. The Inter Colonial Railroad under government ownership and operation had a deficit in 1914 of \$14,000,000. While the Canadian Pacific, under private ownership and operation, paid interest on its bonds, ten percent dividends, taxes to the government, and had \$256 per mile surplus. And the Inter Colonial was operating under even more favorable conditions than was the Canadian Pacific, for the density of population served by the government owned road was eleven percent greater than that served by the private road, and the rates were practically the same. Authorities place the responsibility for the

poor showing made by the Canadian Government owned railroads upon government inefficiency and political corruption.

And now bringing the analogy closer home, we find, according to Samuel O. Dunn, that Pennsylvania, Missouri, South Carolina, Michigan, and Georgia have all tried public ownership of their railroads and in every case have failed. This is an example of public ownership administered by the American principle of laws, on American soil, and financed by the public treasury, and from the very nature of the case we would be forced to expect the same thing on a larger scale to result from Federal ownership as has resulted from state ownership.

Let us now consider the financial difficulties involved in the adoption of government ownership and operation. We insist that our opponents show us by what method they expect the government to obtain possession of the railroads. During the last two years our national debt has increased from \$1,000,000,000 to \$25,000,000,000, from \$10.00 per capita to \$250 per capita, and the Victory Loan of \$4,500,000,000 will be raised with difficulty. But the buying of the railroads would involve an additional debt of \$20,000,000,000, thus almost doubling our already enormous national debt. And while the floating of the liberty loans was made possible through the hearty co-operation of the banks in this country, Mr. Dean Hay, of the National City Bank of New York, says: "The National Banks would never support the government in an attempt to buy the railroads." Furthermore we must remember that such a bond issue would involve \$1,000,000,000 of annual interest. Thus we see that this financial problem assumes such colossal proportions as to make it almost impossible. We cannot believe that this government would be justified in attempting such an expensive and doubtful experiment, and in assuming a financial obligation which would be a burden on generations yet to come. Our opponents must show us by what method they will solve these financial problems.

Now, Honorable Judges, I have shown you that the Federal Government should not own and operate the railroads because experience shows that private ownership is much superior to government ownership. In America private initiative and capital have built up the best system of railroads in the world. I have shown you that government ownership and operation has been a failure everywhere it has been tried; furthermore, I have shown

you that the adoption of such a policy would involve insurmountable financial difficulties.

And yet the Affirmative argue that we should discard this system which has been so successful and adopt this radical and revolutionary policy which they advocate, and which experience everywhere has shown to be a failure.

SECOND AFFIRMATIVE

Millard Joslin, Coe

The first Negative speaker has asked us how we would have the government take over the railroads. In answering this question we would say that the railways would be bought outright by the government.

Before continuing the case for the Affirmative let us review the contentions of the Affirmative as they now stand. The first speaker has shown you that there is a distinct and imperative need for government ownership and operation, for there are many inherent evils in our present system. The railways are fast becoming a monopoly, and government ownership and operation is a function of government. In continuing the constructive case for the Affirmative it is my purpose to prove that expediency demands that we adopt government ownership and operation.

Railway managers are united in the opinion that if the roads are returned to the private owners with conditions exactly as they were before the war they can do nothing. They say it would be a hopeless matter to finance the present let alone the future. In view of this hopeless situation we advance government ownership and operation, not as a socialistic measure, not as a solution suggested by some wild-eyed reformer, but as the only practical way out of the difficulties which now confront us.

Expediency, Ladies and Gentlemen, was the prime motive which prompted foreign nations to adopt government ownership and operation. Belgium and Switzerland adopted government ownership and operation to keep our foreign capital. Australia adopted it because this was the only way to procure the capital. Italy adopted the system to avoid complications between the states, and Germany adopted government ownership to unify her states and to secure military efficiency. Each nation when

confronted with its various problems of transportation chose government ownership and operation as the only logical solution for them.

And to return to the United States expediency demands that we adopt this system for the policy of private ownership has failed. Regulation failed for it tried to regulate something which it could not see. In the system which the Negative is advocating this evening we will always have two contending factions: one, the railroads, whose sole desire is profit, and the other the shippers and the people who continually cry for more and better service. As a result we have a never ending struggle. In this struggle the weapons of the railways are many and powerful. They are discriminations, secret rebates, interlocking directorates, stock dividends, inflated salaries, holding companies, etc. The only weapons which the Interstate Commerce Commission has with which to combat these evils are suggestions, threats and investigations.

For example in 1910 the railways demanded an increase of five per cent in rates. Railway managers all over the country cried that the roads were running down and that unless something were done the roads would be driven into bankruptcy. The Commission investigated but refused to grant the increase in rates. Then the railways brought their weapons into play. Railroad after railroad went into bankruptcy. The following year failures increased four hundred percent. In 1912 conditions were no better and in 1913 railway failures again doubled. In 1914 the Interstate Commerce Commission again investigated, and although conditions were exactly the same as they were in 1910, this time the Commission reversed its former decision and granted the increase in rates. Speaking of this, Crowell, an economist, says: "The Interstate Commerce Commission, in response to the growing demand of the country for increased transportation facilities, granted the railroads a five per cent increase on their interstate rates. But there are unmistakable signs in evidence to divert the proceeds of the National Commission's award into pockets for which it was never intended. We may rest assured that no new railway trackage and no new rolling stock will ever spring into being." Now this alone is sufficient to show that the Commission regulation was trying to regulate something which it could not see.

In the words of the Commission itself in its report on the New York, New Haven & Hartford investigation (page 1): "In its search for truth the Commission has had to overcome many obstacles such as the burning of books, letters, documents and the obstinacy of witnesses who decline to testify." And on page 37: "Evidences of wrong doing are difficult to obtain. Men do not conduct such operations in the open, but in the secret and the dark." While former Justice Hughes says: "Commission regulation merely drives a corporation from one means of concealing dividends to another with the sole and avowed purpose of reaping profits at any cost."

Nor can we hope to make our system of regulation more efficient in the future. The evils in our present system are inherent and cannot be removed by legislation. We may legislate until we can legislate no more yet the result will always be the same. As each new regulatory measure is passed the best legal talent and the most able financiers are set to work in a determined effort to find some means of evading the law. The Negative have denied this. Take one evil in private management—discriminations and secret rebates. The Negative have admitted that discriminations and secret rebates once existed, but they maintain that recent legislation has entirely eliminated them. Discriminations and secret rebates exist today in spite of all the legislation that has been passed against them. Today the railways give midnight rebates. They agree with some large shipper to lower the rate at a given time. Everything is done in a strictly legal manner. Rate schedules are published, reports are filed with the Interstate Commerce Commission, but only one shipper knows the date on which the reduction goes into effect, and he makes large shipments on that day. Before his competitor can learn of the reduction or can assemble his goods the rate is placed back at normal. This is nothing less than a rebate. And if we may accept the statement of the late James J. Hill who says in Parson's book: "The Railways, the Trusts and the People": "Discriminations and secret rebates had not ceased and never would cease." We cannot remove such evils as these by legislation.

To successfully accomplish what the Interstate Commerce Commission has been trying to do the Government must step into every phase of railway activity. It must penetrate clear into the inner circles of the corporation managers and find out all the

facts. It must not only tell the railways what rates they are to charge, it must dictate the service they are to give in return. It must tell the railways whom they shall elect for their officers and what salaries these officers shall receive. It must tell the railways where they shall invest their securities, where they shall buy their supplies and what price they shall pay for them. The Government must do all this before it can hope to efficiently regulate our railways. And when it shall have done this, we shall no longer have private ownership and operation. No matter who puts up the capital or what interest is paid we shall have government ownership and operation of our railways.

And secondly, expediency demands that we adopt Government ownership and operation for it is impossible for the private owners to finance the roads if they are turned back to them. In regard to the amount of money necessary to finance the roads during the next twenty-five years estimates vary. Howard Elliot of the New York, New Haven & Hartford estimates that \$25,000,000,000 must be expended for new terminal facilities, new rolling stock, and increased mileage before we shall have a transportation system suitable to our needs. Mr. Kenna, a close student of the railway problem places his estimate at \$30,000,000,000, while the New York Chamber of Commerce has estimated that over forty-two billion dollars will be required. These are not our estimates, they are the estimates of competent railway authorities.

The question naturally arises—can the railways secure this money? Mr. Kenna says that to secure this money under existing conditions would be an impossibility. President Felton of the Chicago & Great Western says that the railways must be given a free hand or they will be unable to raise this money. President Schiff of the M. K. & T. says that under our present system of regulation the securing of money necessary for improvements is impossible, while Crowell of the New York Chamber of Commerce says that the railways are unable to finance the present let alone the future.

Thus far in this debate we of the Affirmative have endeavored to prove our case by establishing two issues. First, there is a distinct and imperative need for government ownership and operation, for there are many inherent evils in our present system, the railways are fast becoming a monopoly, and government

operation is a function of government. And secondly, expediency demands that we adopt government ownership and operation for the present system of private ownership and management supplemented by governmental regulation has failed, and it would be impossible for the railway managers to finance the roads even if they were turned back to them.

SECOND NEGATIVE

Dwight C. Eckerman, Monmouth

Honorable Judges, Ladies and Gentlemen: Our opponents contend that we must favor the pre-war system of private management of the railroads. But since the duty of the Negative in this debate is to oppose government ownership, we are not forced to favor a specific plan. The Affirmative must prove government ownership superior, not only to the pre-war system, but to any and all systems of private ownership.

Thus far in this debate we have shown that the railroads of the United States are the most extensive, the most efficient, and the most satisfactory of any railroads in the world. Second, that the history of government ownership in other countries has been such an unquestioned failure as to discourage its extension into the United States. Third, government ownership would involve tremendous financial burdens.

It shall be my purpose to show that the Federal Government is inefficient in business administration, for three reasons—first, the government does not secure the most capable men for its service; second, political evils are the blight of every public enterprise; third, the government is extravagant and wasteful in the expenditure of public funds.

The government does not secure the most capable men for its service because private industry offers to men of brains and ability, more inducement by promotion and large salaries than does the government. While promotion in a private enterprise depends on merit, in the government service promotion depends on seniority in service and the spoils system. Within the last few months Secretary McAdoo, Attorney General Gregory, and Justice Cook, of the Illinois Supreme Court, have all resigned their government positions because of the small salaries they were re-

ceiving. While such men as Charles M. Schwab, John D. Ryan, and others may serve the government in war time, it is clear that they are attracted to private enterprises in time of peace.

Not only are able men unwilling to serve the government because of the meager salaries, but because of the vast amount of "red tape" to which all public officials are subjected. A big man rebels at the bureaucratic restrictions of government service and demands the freedom of private enterprise.

The Saturday Evening Post says editorially, "With a few exceptions, which prove every rule, politics the last twenty years has not attracted American talent. Talent, broadly speaking, has preferred other fields." The New York Press asks the question, "Whoever knew the highest talent for organization, for administration, for business management, to seek government jobs?"

If there is any business in the world that needs wise and efficient leadership it is the railroad business, but under government ownership we might reasonably expect that the railroads would suffer from a lack of capable leaders.

Passing to my next point, political evils are the blight of every public enterprise. Should the government buy the railroads there is the probability that sectional favoritism would prevail. We might expect that railroad stations would be distributed about the country much as Post Office buildings are today. President Hadley of Yale says, "Each member of Congress is more concerned with the immediate demands of his district than with the general needs of the country. Unless Congress should apply better methods to the development of the railroads than it has ever applied to the development of rivers and harbors, it would show itself wholly unequal to the task."

Government ownership would increase the office-seeking and office-holding class enormously. It is altogether probable that not only the higher positions in the railroad administration, but the positions of station agent would be allotted to the patrons of the party in power, just as postmasters are appointed as a reward for their political affiliations. Because of the changes which follow every election, executive officials seldom remain in office long enough to learn the sound methods necessary to efficiency and economy. Thus it is altogether too evident that with thousands of political rewards at the disposal of the party in

power, incompetent men would be placed in positions of responsibility, with the result that the railroads would become corrupt and inefficient.

At the present time, over two million men are employed by the railroads of the United States. This number would be greatly increased by transferring the railroads from private to public hands. The truth of this statement has been recently shown in the case of the Italian railroads. In 1905 Italy nationalized her railroads and in three years from the date of this transfer, the number of railroad employees had increased from 97,000 to 137,000. Add to this steadily increasing number of railroad employees their friends and relatives, and you will have an army of at least five million. Remember then that in the last ten presidential elections, the president has been chosen by a plurality varying from 7,000 to about two and a half million. Thus we see what a tremendous power government ownership would place in the hands of the railroad employees. The tendency would be "more pay and less work" as the brotherhoods would support candidates who favored the whims and prejudices of labor leaders. While it would be absurd to argue that any such body of men would act as a unit at all elections it is altogether probable that a sufficient number of them would so act as to form a powerful political organization.

We would like to ask our opponents what method they would use in selecting the two million employees under government ownership. We have only two possibilities—first, political patronage, second civil service. If we discard the first, we must accept the second. But as the Independent Magazine says, "If civil service rules were broken over, the railroad jobs would become a prize in spoils politics; or if civil service rules were adhered to, how could the incompetent, the broken-down, the dead-wood, ever be gotten rid of? No way has yet been devised for eliminating incompetent teachers from the Chicago Public School system, which is protected by civil service." Civil service employees have adopted a sort of a passive attitude of indifference toward industry in a government job. While they are practically sure they will never be promoted, they are equally sure that they hold their jobs for life.

Therefore the Affirmative is on the horns of a dilemma. If

they accept political patronage as their means of selection, they have the spoils system in operation; if they favor civil service, they must recognize the fact that it eliminates personal interest and initiative and tends to protect the slacker.

In the last place, the Government is inefficient in business administration because of its extravagance and wastefulness in the expenditure of public funds. Congress appropriates money from the public treasury by what is known as the "pork barrel" system. "Such a method," Ex-President Taft said, "is haphazard and wasteful." In the words of Senator Aldrich, "We waste \$300,000,000 annually, because of poor business management." Magnificent public buildings are erected in small towns and villages, not because they are needed, not because the public will suffer from a lack of them, but because a Congressman feels that he should bring home something from the public treasury. As Samuel O. Dunn says, "The most discouraging aspect of the situation is that instead of improving, it is constantly growing worse." Pierre, South Dakota, a town of 4,000 people, has a Post Office erected at the cost of \$175,000. W. G. McAdoo is authority for the statement, "Of the countless millions spent in public buildings, less than one-half has in any way served the convenience of the public."

The annual appropriations for rivers and harbors is regarded as a political fund to be circulated in the different parts of the country rather than to be applied to the needs of waterways. One of the most reckless cases of government extravagance was shown in the improvement of the Missouri River. In 1897 a committee of the Senate was appointed to investigate this stream. After a thorough investigation this committee reported that further appropriations for the Missouri River would be literally thrown away. Yet Congress has now embarked upon a scheme of spending \$45,000,000 on the Missouri River, an unwarranted project which one of its own committees declared to be a reckless waste of money. Mr. Dunn declares, "Over \$600,000,000 has been spent on the inland waterways of this country and the only efficient ones we have as yet are those provided by nature—The Great Lakes."

But the most notorious example of government wastefulness occurred in the present war in connection with our aeroplane ex-

penditures. The report of the Senate Committee investigating this aeroplane scandal was published in the Congressional Record, as follows: "On July 24, 1917 Congress appropriated \$640,000,000 to carry out the aircraft program. In the opinion of the committee, a substantial part of this appropriation was practically wasted."

Theodore P. Shonts, one of the builders of the Panama Canal, says, "The great fact about government operation is the inevitable tendency toward extravagance and inefficiency. If the deficit from operations can always be made up out of taxation, if there is to be no reward for economy and forethought, it is impossible to expect a careful watchfulness over expenditures." In the language of Charles E. Hughes, "It is regrettable but it is true, that government enterprises tend constantly toward inefficiency."

These examples and authorities offer a sad commentary on the question of government ownership and demonstrate clearly the probability of such evils in case the government should own and operate the railroads.

It is the duty of the Affirmative in this debate not only to produce some feasible plan to buy the railroads but to prove that the government could operate the railroads to a financial advantage. Therefore we challenge our opponents to prove that government ownership and operation of the railroads would be a financial success. Furthermore last year the railroads paid into the public treasury \$156,000,000 in taxes, which would be lost under government ownership.

Now Honorable Judges, in showing the inefficiency of the Government as a business administrator, we are not condemning the principle of democracy, for we believe that the American government is the best in the world. But we do maintain that a democratic and decentralized government is necessarily inefficient in performing those functions which properly belong to the individual.

In conclusion, Honorable Judges, it is obvious that a lack of capable talent, the danger of political evils, and the chronic extravagance and wastefulness of all public enterprises, would render government ownership and operation of the railroads a very dangerous and radical experiment. I thank you.

THIRD AFFIRMATIVE

Edmund B. Shaw, Coe

Ladies and Gentlemen:—Before continuing the case for government ownership of railroads, let us consider briefly some of the contentions of the opposition. The Negative speakers have told you that all the arguments against private ownership which we have presented to-night, have been directed against the particular plan of private ownership which obtained in this country before the adoption of government operation, and further, that if we are to establish our case for government ownership we must show that our plan is superior not only to pre-war private ownership but to every plan of private ownership which can be devised. The Gentlemen refer to seven plans of private ownership which have been suggested by prominent authorities, and tell us that we must show the superiority of government ownership over these plans. On the contrary, the burden of proof is unquestionably with the Negative. If they dare not support pre-war methods of private ownership, they must support some one definite revised plan, giving us a chance to point out the fallacies and evils in it. And their very reluctance to take a stand for a single definite plan shows that they realize the impossibility of devising one which will withstand a careful examination and analysis. Furthermore, their reluctance to support and advocate private ownership as it existed before the war is an admission of its failure.

Having seen the fallacy in the case of the opposition as so far presented, let us now review the case for government ownership as presented by my colleagues. The first Affirmative speaker has pointed out the need for government ownership. He has shown that the railroads, because of their monopolistic nature, are not a mere private enterprise, to be run for profit, but a public service, and as such their ownership and operation is a natural function of government. He has shown, moreover, that the inherent evils of private ownership, such, for example, as financial mis-management, stock jobbing, discrimination and the building up of large private fortunes by insiders at the expense of the smaller stock holders, are inherent in the system of private ownership, and demand government ownership as a remedy. The second Affirmative speaker has shown that expedi-

ency demands that we adopt government ownership, because the system of private ownership and government regulation has failed in the past, and must continue to fail in the future, since it attempts the impossible task of regulating what it cannot see. He has pointed out, moreover, that expediency demands the adoption of government ownership because the private owners of the railroads admit their inability to raise the vast sums of money needed for the financing of the railroads, in the period immediately following the war.

It shall be my purpose to show, further, that government ownership is a practicable and workable solution of the railroad problem. Government ownership is practicable, in the first place, because a workable plan of administration can be devised. Martin A. Knapp, former chairman of the Interstate Commerce Commission, has suggested a plan of administration which we would follow in its main features. At the head of the entire transportation system would be placed a non-political board of practical railway men, appointed by the President and holding office for long terms. Not more than four of the seven members of this board would be chosen from the same political party. Under this central commission there would be regional boards and under these, district boards, all appointed by the commission next higher up, and chosen for their ability and experience as railroad men. The essence of the whole plan is the elimination of party politics and the recognition of merit and efficiency in appointments. This plan would eliminate the alleged political dangers pointed out by the Negative.

Government ownership is practicable, in the second place, because our Government has demonstrated its ability to conduct business enterprise. It has recently completed the Panama Canal, after various foreign governments and private corporations had attempted the project and failed. It is significant that scarcely a single authority has ever expressed the opinion that private enterprise could have built the Canal more economically, even if it had been capable of the task at all. The Panama Canal stands to-day, a monument to the efficiency of our Government in business undertaking.

The Government operated post-office department is a model of efficiency and economy. At the very time when the privately owned express companies were petitioning for higher and higher

rates, the post-office department established the parcels post system, cut rates charged for the transportation of packages to approximately one-half what they had been under the express companies, and even at these reduced rates, made during the first year, the largest surplus in the history of the department up to that time. Theodore H. Price, Financial Editor of the Outlook, says regarding the efficiency of the post-office system: "It is inconceivable that private enterprise could have given us the postal facilities we enjoy for what they now cost us, or in fact at any price." Seager, the noted economist, says: "The United States post-office renders more efficient service than a private enterprise, organized for profit, could possibly do. So general, in fact, is the approval of the post-office system that its success is commonly made the point of departure for arguments in favor of a national railroad monopoly." If government administration is inefficient, as the Negative have contended, then we demand that they explain to us why it is that in the courts of the United States to-day the mailing of a letter is accepted as adequate legal proof of its delivery.

Lastly, and most important, the Government has demonstrated its ability to conduct business ably during the period of Federal operation of the railroads. The opponents of government ownership ignore the first and fundamental fact of the period, namely, that it was one of war with its attendant handicaps. But in spite of war conditions, government operation has been a brilliant success. Tremendous economies have been introduced. Under private operation, the railway system, the circulatory system of the nation, was operated as 1800 separate quarreling and competing organizations. Under government administration, the roads have been operated as a unit. In the report of the Director-General of the railroads, given before the Senate Committee on Interstate Commerce on January 3, 1919, we find enumerated the economies which have been effected under government operation. Foremost among them is the re-routing of freight traffic. The difference between the longest and the shortest commonly used freight route from Chicago to Little Rock is 644 miles; between Minneapolis and Omaha, 359 miles; between Minneapolis and Des Moines, 344 miles, according to the report. But because rates were the same over the longest as over the shortest, freight was as likely to follow the longest route, with a tremendous re-

sultant economic waste. The Interstate Commerce Commission estimates that if all the freight traffic in the United States were sent over the shortest route there would be a total saving of eighteen percent of all the freight ton mileage of the country, as compared with the present system. During the ore-shipping season last year in the two states of Michigan and Minnesota alone 63,000 cars of ore were re-routed, with a saving of 3,500,000 car miles, or the equivalent of hauling three freight trains of fifty cars each around the world. This is but an example of the economies of government operation. Reading from the report of the Director General, "Reports so far received from five of the seven regional directors show that on a group of selected principal items, savings totaling \$85,000,000 were effected during 1918."

But the introduction of operating economies was only one of the beneficial results of government operation. During the entire period from our entrance into the war until the adoption of Federal operation, the nation had been handicapped by its lack of adequate transportation facilities, or better, by adequate unified use of those which it possessed. On January 1, 1918, there were 145,000 cars of freight congested in a few of the larger terminals of the country, choking the gateways of the nation, so that the country's traffic was at a stand-still. On January 3, 1919, after the first year of Federal operation, the Director-General reported that tho the traffic carried in the months immediately preceeding, was the heaviest in the history of the nation, there was a complete absence of any transportation stringency. Experience of Federal operation has taught what we had long believed; that only unification can solve the railroad problem, and unification is possible only under government ownership, because in a Democracy like the United States public sentiment will not tolerate the existence of a private railroad oligarchy. In the words of President Wilson: "It has become unmistakably apparent that only under government administration can the entire equipment of the several systems of transportation be thrown fully and unreservedly into a common service."

Government ownership is practicable, lastly, because it would make possible the introduction of even greater economies than those which have been possible under government operation. The Government, because of its superior credit, could borrow

money at from two to two-and-a-half percent lower interest rates than that now paid to holders of railway securities. Clifford Thorne, Counsel for Shippers at Chicago, Col. S. W. Brookhart, formerly of the Iowa Railway Commission, and F. C. Howe, Commissioner of Immigration at the port of New York, have all estimated the saving to the people thru the government's superior credit at \$400,000,000 annually.

Under government ownership the unearned increment in the value of the roads which arises thru the natural increase in land and property values, and which amounts to several million dollars annually, would accrue to the people and not to the owners of the railroads alone.

Under government ownership the competitive waste, which has been so greatly reduced under government operation, could be completely eliminated. The saving of the over-haul in freight traffic, and of needless duplication in passenger service, the unification of ticket offices, the joint use of terminals and other facilities, the abolition of private car lines and express companies would all contribute their quota to the economies of government ownership.

To summarize, it has been the purpose of the Affirmative in this speech to show that government ownership of railroads is practicable because a workable plan of administration can be devised, because the Government had demonstrated its ability to conduct business enterprise, in the case of the Panama Canal, the post-office system, and the period of Federal operation of the railroads, and, lastly, because under government ownership even greater economies than those which have been effected under government operation, would be made possible thru the Government's superior credit, thru the saving of the unearned increment in the value of the roads, and thru the complete elimination of the competitive waste of private ownership.

THIRD NEGATIVE

George W. McClure, Monmouth

Honorable Judges, Ladies and Gentlemen:—Our Opponents have just told you of the thirty million dollar saving accomplished under government operation.

Permit me to quote from Mr. Kruttschnitt, President of the Southern Pacific Company, "In his report to the President, dated September 3rd, 1918, the Director-General claims to have saved \$30,000,000 in salaries paid to officials—, in advertising, in consolidated ticket offices, etc. Yet the saving from all these specified sources totals eight-tenths of one percent."

Think of that, Honorable Judges, a saving of eight-tenths of one percent, and a deficit for the past fifteen months of government operation of \$252,000,000.

\$30,000,000 saved—\$252,000,000 lost—efficient government operation.

Our Opponents have claimed that because the Government was successful in the construction of the Panama Canal, it would have a similar success in the operation of the railroads.

But let us not forget that Wallace and Stevens, two of the most prominent engineers in the United States, even tho working under the Government, were on the verge of failure because of the "Red Tape" to which they were subjected. Congress was finally forced to turn the project over to the Army, and the Canal was actually built by Goethals, an army officer, and under strict military discipline. Now do our Opponents advocate that the railroads be operated under military discipline as was the Panama Canal built? The brakeman perhaps saluting the Conductors.

Now Honorable Judges: Thus far in this debate the Negative have pointed out two comprehensive reasons why government ownership and operation are impractical. First: because the American railroads in private hands were universally conceded the best in the world, and experience with government railroads in foreign countries has always been so unsatisfactory that there is no valid reason for nationalization of our railways. Second: Because of the wastefulness and extravagance of government enterprises and because of grave political evils government ownership is exceedingly undesirable.

In concluding the Negative case I will show that initiative, man's most valued possession, will be lost by nationalization, and that private ownership and operation with proper government regulation is the only feasible solution of our complicated railroad problem.

It has always been a maxim of our Government that any man

with initiative and ambition may rise to the greatest height of which he is capable. Now the Gentlemen of the Affirmative are arguing that political affiliations not initiative, that seniority not ambition are the means by which man should secure influence.

In Government service a man may be possessed with ability, with initiative and ambition yet without political affiliations where does he get? The familiar saying, "Once a mail carrier, always a mail carrier," holds true. Could W. C. Brown have risen from messenger boy to President of the New York Central in Government employ? Could J. J. Hill have worked up from brakeman to greatest of all railroad Presidents hampered by seniority rules which are a prerequisite to advancement in government service? We challenge the Gentlemen of the Affirmative to show us instances of men in the Postal service, working up by initiative and ability alone, as have Hill, or Brown, or Earling under private railroad ownership.

It is only a natural conclusion that the red-tape, the politics, the seniority rules of government operation kill all a man's natural initiative. Where would our Edison, our Hill, our Schwab be under government operation? Unheard of clerks probably in some obscure railway station waiting for the man above them to die off so they might eventually fall heir to his job.

American ambition and the desire to rise must find some outlet, and we have in the privately owned railroad systems the greatest place for the deserving young man. If the Government assumes control of this safety-valve and shuts it off, as it invariably has done in other Government enterprises, then we have lost America's greatest possession. It hardly seems the few evils would justify a measure questionable in many respects and certainly undesirable in many others.

Let it suffice that Walker D. Hines, Director General of Railroads, said recently in a statement before Congress, "I do not personally believe in government ownership. I believe there can be a form of reconstructed private ownership with close government supervision, as will give the public and labor all the benefits of government ownership, and at the same time preserve the benefits of private and self-interested initiative, and will avoid the political difficulties which are perhaps inseparable from government ownership."

And tho W. G. McAdoo, in his report to Congress in January,

1919, said that he was committed to no plan, yet only last month in his testimony before the Senate Interstate Commerce Committee he stated that he was not in favor of government ownership. Both of these men are in a better position to know the facts about the railroads than any other two men in the United States, and both come out as opposed to government ownership.

Now government ownership and operation is not only un-American, and undemocratic but the majority of the people are opposed to it. Public opinion as voiced by the newspapers and magazines, and by conferences of business men and working men alike expresses disapproval of this radical measure. For instance with one exception, every member of the Interstate Commerce Commission voted against government ownership.

The business men, as represented by the Chambers of Commerce of the three largest cities in the United States, and by the Middle-West shippers adopted resolutions against government ownership. The New York Sun editorially says, "The American people do not want government ownership." Expressions by Congressmen of both parties show that this nation's legislative body favors private ownership and operation.

Out of seven plans to be proposed to Congress by the Interstate Commerce Commission, the Railroad Executives, the Railroad Security Holders, the Railroad Employees, the Shippers, the State Commissions, and even the United States Railroad Administration we find that not one of them favors both government ownership and operation.

Think of that, Honorable Judges, every class in the United States is represented to a greater or less extent by these plans and not one of them favors both government ownership and operation. The principle of government ownership is so undemocratic and un-American that public opinion is decidedly against its adoption as a national policy. We must ask therefore that our Opponents show some sentiment in favor of nationalization of our railways, for no system can be a success which is in direct opposition to the majority of the peoples' wishes.

If we are to have a plan of government ownership and operation successful even to a minor extent, we must prepare to renounce our rights as individuals and remold our government on the highly centralized theory of Prussianism of industry. Our opponents must admit that Prussia is the only state of any size

which has successfully fostered government ownership. Prussia has been able to build up a fairly competent railway machine entirely because of centralization of every industry, the autocratic militaristic theory that the rights and primary privileges of the individual are subordinate to the state. In America we have always fought this theory until within the last year we have raised an army of four million men, and have given fifty thousand lives on the battle-fields of Europe to overthrow this very system of supremacy of state, and subservience of the individual to the monarch's whims.

Now, Honorable Judges, since Prussia is the only state of any size with even a moderately successfully owned and operated railway system, it naturally follows that if we are to have a successful system ours must be molded to some extent on theirs. Do you in your opinion believe our railway situation is so degenerate that Prussianism is preferable?

For nearly a century our banks were in a worse plight. Banking conditions were unsound. Failures were ordinary occurrences. But the Government didn't take over our banks. Ultimately regulation was so perfected that in the entire year of 1918 there has been only one failure of a national bank out of all the thousands of them. It took a hundred and thirty years to work out a perfect system of regulation for our banks, but with our railroads with only thirty-two years of regulation consider what we have accomplished. Railway conditions have steadily improved. Like our banks the ideal operation cannot be worked out by government ownership but by better government regulation. That is what we are asking—the perfection of railway regulation as has been done for our banks, and we can see no reason why it will not work fully as successfully in one as in the other.

Now it is certain that whatever success the Government achieved during its war operation of the railroads was accomplished by raise of rates and pooling of equipment and facilities. Two things, Honorable Judges, for which the railroads petitioned for over a decade without results. The Government consistently denied to private interests the very two privileges necessary to make railway administration successful, and which privileges the Government immediately seized as soon as it took over the roads. Now we believe it might be advisable to grant these rights to

private interests: namely a rate which will enable the railroads to operate successfully and the privilege of pooling to the extent of common use of tracks, terminals, stations, and equipment; thereby preserving whatever advantages have been demonstrated by the unification of government operation.

Now, Honorable Judges, our constructive case has been presented. We have shown you first: that our privately owned railroads were universally conceded the best in the world, and experience with state owned railroads in foreign countries has always been so unsatisfactory that there is no valid reason for nationalization of our railways. We have pointed out to you second: that because of the wastefulness and extravagance of government enterprises, and because of grave political evils government ownership is exceedingly undesirable. Finally we have shown you how private initiative and ambition would be lost by government ownership and operation which to be successful would perforce have to follow the Prussian system with its consequent dangers to Democracy. We have mentioned seven plans of private ownership and operation any one of which will give us all the advantages of government operation with the obnoxious elements removed. Furthermore we have shown that buying the railroads involves so stupendous a financial burden as to render it almost impossible.

FIRST NEGATIVE REBUTTAL

J. Walker Milne, Monmouth

Mr. Chairman, Honorable Judges, Ladies, and Gentlemen:—Our opponents have dwelt at length upon the government experience in railroad operation during the war and have attempted to use this as an argument for permanent government ownership and operation. But we believe this argument is irrelevant. During the war we had a policy of price regulation and set the price of wheat and coal. As a war measure, we had meatless days and heatless days, but do our opponents believe that these measures should be continued in normal times. The government war-time operation of the railroads had but one aim—speed—regardless of cost, of service, or any of the hundred

factors which enter into railroad operation in normal times. They were also aided by the patriotic impulses of both employees and patrons. And most important of all, the roads were actually operated by the trained personnel of the private roads; officials like Hale Holten of the C. B. & Q., and E. A. Ripley of the Santa Fé who gave their services to the government merely to help win the war. The low scale of government salaries and the bureaucratic red tape would never attract such men as these to permanent government service.

Authority on this point is almost unlimited; the New York Tribune says: "There has been no real test under war conditions," and the Review of Reviews says: "Government operation of the railroads during the war should not be expected to give any test or object lesson for the great ultimate consideration of government ownership," and both Mr. McAdoo and Mr. Hines who have actually been in charge of the railroads agree that in order to have a fair test of government operation it would have to continue for at least five years after the termination of the war.

In view of these facts and this testimony we believe that any argument based upon war-time emergencies is absolutely irrelevant in this debate.

But now that our opponents have brought it up, we will show that it has not been a success.

The deficit last year was \$250,000,000, and Howard Elliott, president of the Great Northern Railroad, says: "During 1918 the Pennsylvania Railroad employed 40,000 more men and the actual tonmileage hauled was less and the service worse"—more men, higher wages, and less service, does that look like efficiency?

We might pile up evidence on this point. The Chicago Tribune said recently: "Testimony all over the country is that railroad operation has been much poorer under government control." Representative Gillett, Speaker-Elect of the next Congress, says: "Service has gone down while rates have gone up and the deficit has been enormous." Senator Martin of Indiana says: "The railroads have never been more inefficiently operated." Senator Johnson, even an advocate of government ownership and operation, describes the present policy as "the present ineffective and inefficient management and control."

Additional testimony would be merely along the same line. In view of these facts and opinions we need hardly discuss the so called "success" of our present policy of government operation.

In our constructive speeches we pointed out the huge financial difficulties involved in the adoption of government ownership and operation, and we challenged the Affirmative to show by what method they would buy the railroads. This, Honorable Judges, is a legitimate and pertinent question, for before the government can own the railroads it must find some way to buy them. They answered that they would buy them outright, but they failed to show how they would raise the necessary \$20,000,000,000. Representative Good, Chairman of the committee on appropriations for the new Congress, estimates that by July 1st next year the government will have spent \$53,000,000,000, over \$500 for every man, woman, and child in the United States. And on top of that our Opponents propose to assume an additional debt of \$20,000,000,000. We do not believe that they have justified such an enormous burden.

The Affirmative have attempted to point out a few evils which they claim have existed under private ownership, and in this way to show that the Interstate Commerce Commission has been a failure as a regulator. But they have failed to show that government ownership would eliminate these evils or in any way better conditions. Furthermore we would cite the analogy of our Federal Reserve Board. From the Revolutionary War until 1913 the Government tried unsuccessfully to regulate our banks and even as late as 1907 we had a financial panic. But the government did not take over our banks because of their evils. They systematically set about to find a more perfect system of regulation and the result was the Federal Reserve Board, which is generally recognized as the best banking system ever known, and under which a panic was impossible even under the great strain of the World War. This same policy has been used in connection with our insurance companies, the mismanagement and corruption of which became so notorious that an investigation and regulation became necessary, and through the efforts of Charles E. Hughes they have been put on a firm business basis and remain under government regulation, not ownership.

Our Opponents have stated that foreign governments have adopted government ownership and operation to avoid foreign capital and to unite the country, and that for these reasons the United States should also adopt it. But these arguments for government ownership do not apply to the United States, for our railroads are already owned by American private capital, and our privately owned roads are the very factor which has built and bound our country together.

The Affirmative admitted in their first speech that American rates have been the lowest in the world and wages the highest. And they have not even attempted to answer our argument of foreign analogy. Thus by their silence they have virtually admitted that government ownership and operation has been a failure everywhere it has been tried. And yet the Affirmative argue that the United States should adopt the same policy. The very fact, Honorable Judges, that government ownership and operation has been tried under every form of government, in every clime, and on every continent, and has been a failure in every case would form a strong argument against adopting such a measure in this country.

FIRST AFFIRMATIVE REBUTTAL

Owen F. Rall, Coe

Mr. Chairman, Ladies and Gentlemen: The debate this evening has resolved itself into three main issues: Is there a need for government ownership and operation? Which is preferable, private ownership and government regulation, or government ownership and operation? and, Is government ownership practicable?

Our worthy Opponents have admitted the public nature of the railroads but they refuse to admit that under private operation there existed the evils of rebate and discrimination which we contend existed until the government took over the railroads. They have insisted that we show examples of these evils existing on December 31, 1917, the day before the government took over the rail lines. We cannot quite fulfill the gentlemen's wishes but we have here the report of the Interstate

Commerce Commission for the year ending October 31, 1917. Allow me to read a few court decisions.

"United States v. Pennsylvania Company, District Court, Northern Illinois, indictment charging grant of rebates to W. H. Merritt Co. December 7, 1915, verdict of guilty. November 13, 1916, fine of \$20,000 imposed."

"United States v. St. Louis Southwestern Railway Co., District Court, Western Arkansas, indictment charging grant of rebates on shipments of lumber. May 15, 1917, plea of guilty entered and fine of \$6,666 imposed."

"United States v. Swift and Co., District Court, Northern Illinois, indictment charging receipt of concessions from the Ann Arbor Railroad Co., and false billing. May 3, 1916, verdict of guilty. November 13, 1916, fine of \$60,000 imposed."

There they are, Ladies and Gentlemen, the very evils which the Negative tell have been eliminated by regulation. And the significant fact is not that the regulatory body was able to apprehend and punish these rebates and discriminations but that under the surface there must be literally hundreds of such cases for every one of the score of instances in the Interstate Commerce Commission report. As my colleague has shown men do not carry on such things in the open. The Negative must show some plan which will eliminate these evils beyond a doubt before they continue their argument against government ownership and operation.

We are willing to discuss war-time operation with the Negative. The Negative has asserted that rates have gone up and service has gone down while the government was operating the railroads. Mr. Cuyler, Chairman of the Railway Executives Association, representing 92% of the trackage of the United States, recently gave this testimony before the Senate Committee on Interstate Commerce:

Senator Townsend. "Could you operate the railroads successfully on the present rates?"

Mr. Cuyler. "Assuming the present rate of wages and cost of materials, and everything of that kind?"

Senator Townsend. "Yes."

Mr. Cuyler. "No, sir."

This is an admission, Ladies and Gentlemen, that the gov-

ernment deficit and the high rates have not been due to inefficiency because the spokesman for the most efficient railway managers in the world declares that they cannot operate the railroads on the present rates.

Now as to the Panama Canal: Our worthy Opponents maintain that it was built under a system of strict military discipline. They ask us whether we favor putting the railroads under a military system, whether we would have the brakeman, perhaps, salute the conductor. The Panama canal was not built under military discipline. After some of the most able private engineers in the country had failed at the task the government called in an Army engineer, General Goethals. General Goethals did not wear his uniform once when he was in the Canal Zone. The canal was built by civilians, under very trying conditions, but the work was supervised by men chosen by the Government, educated by the Government, and working for the Government.

We must differentiate very clearly between the use of the word "debt" in the ordinary sense, and the railway debt. Ladies and Gentlemen, if the United States Government buys the railroads the debt which it contracts is not the same as a war debt which goes up in smoke. Acquisition is not a problem. The government would not have a debt, it would have an investment and the physical property right on hand to show for it.

In answer to the argument that foreign countries have failed with government ownership and operation, we ask our worthy Opponents just one question: If the countries have failed why do they not turn their railroads back to private management? Is not an annual deficit of \$14,000,000 on the Canadian Transcontinental Railroad rather an expensive hobby? Why is the Transcontinental Railroad still in the hands of the Canadian government? France owns just twenty per cent of her railroads and she took this twenty per cent over after private corporations refused to continue with their operation. These roads were certainly not a success under private ownership and the deficit which the Negative have flaunted before your eyes this evening is not a debt, it is an investment which will build up the railroads. I thank you.

SECOND NEGATIVE REBUTTAL

Dwight C. Eckerman, Monmouth

Honorable Judges, Ladies and Gentlemen: Our Opponents say that civilians built the Panama Canal. But Theodore P. Shonts says that the Panama Canal was built under military control.

Our Opponents admit that they must float a government bond issue to buy the railroads. But they have not shown that the Government, especially at this time, can float such a bond issue. We already have \$20,000,000,000, in government bonds and are attempting a Victory loan of four and one half billion. But on top of this our Opponents advocate floating a twenty billion dollar bond issue to buy the railroads. Mr. Dean Hay, a prominent New York banker said that the national banks of the country would never support the government in an attempt to buy the railroads. The question we are debating says ownership and operation involves buying. Therefore the Affirmative have failed in half of their argument because they have produced no feasible plan to buy the railroads.

Our Opponents have asserted that one of the evils of private ownership has been the practice of rebating and discrimination, and they have cited examples of these evils. Now we maintain that they have quoted exceptions rather than the rule for this evil has been greatly reduced since the Interstate Commerce Commission has had power to enforce its decrees. But since our Opponents have claimed that discrimination has existed in the railroads under private ownership, we should like to point out that it has existed in the post-office. In 1910 Postmaster Hitchcock inaugurated what was known as the "Blue Tag" service, by which certain publications were sent by mail, while rival publications of a similar nature and competing for the same trade were sent by freight. Please remember that altho these publications were sent by freight, they paid the same rates as those sent by mail. Under government ownership of the railroads, such discrimination would no doubt be carried on to a greater extent and would become a far greater evil than it has been under private ownership.

The Affirmative have cited examples of wild finance and

have quoted exceptions rather than the rule, for as Dr. Fetter of Princeton points out, these evils are largely a thing of the past. Moreover it is a fact that the stocks and bonds of every American industry undergo fluctuations; the prices of corn, cotton, oats, and wheat are set by the Board of Trade. Now if the fluctuations of railroad stock is a valid argument for government ownership of the railroads, so are the fluctuations of U.S. steel, amalgamated copper, and even the entire farm products of the United States. This argument would lead us to the federal ownership of every American industry, a program of state socialism we are not willing to endorse.

Our Opponents claim that because the railroads are a public monopoly they should be operated by the government. From this argument we assume that the Affirmative favor public ownership of the telephone and telegraph lines, electric light plants, and all street railways, for these are also public monopolies. Furthermore the day has come when authorities recognize that there is no fundamental difference between these so-called public monopolies and other public necessities such as the steel mills, coal mines, oil wells, grain elevators, packing houses, banks, and even the farms; anything the public uses is considered a public necessity. There is now a bill before Congress to regulate the packing industry on the ground that it is a public monopoly. Therefore the argument of the Affirmative would lead us to the federal ownership of every American industry, a program of state socialism similar to that of Germany and which will not be tolerated in free and democratic America.

Our Opponents have claimed that government operation during the war has been superior to private operation before the war. And yet only last month Director General Hines said before the Chicago Chamber of Commerce that he was trying to get back to the pre-war service to the public, as rapidly as possible. Now if this pre-war service was as poor as the Affirmative would lead us to believe, why is Director General Hines trying to return to it as soon as possible?

Our Opponents have opposed our argument of foreign analogy. They state that no country that has ever had government ownership has returned its roads to private ownership. There are two reasons for this: in the first place France, Italy, Bel-

gium, Denmark, and practically all the continental powers have wanted to return the roads to private ownership, but have been afraid to do so for fear that foreign capital would buy up the railroads and thus endanger the nation in time of war. In the second place there are military reasons: the majority of the countries which have public owned roads have held them so that in case of sudden attack they might be able to quickly transport troops to the frontier. Neither of these arguments for government ownership apply to the United States for the American railroads are already in the hands of American capital, and we are not surrounded by hostile nations.

Our Opponents have argued for government ownership on the ground that the government can borrow money at a lower rate than can private corporations. Now if this is a valid argument for government ownership of the railroads, it applies with equal force to every American industry. Since our Opponents have advanced this argument we assume that they are in favor of the government buying the coal mines, steel mills, paper mills, plow shops, and the farms.

Our Opponents have spoken of the great success of the postal system. It is certain that whatever success the post office has attained has been largely due to the fact that the mails are carried over the highly efficient privately owned railroads. The postal system cannot be compared to the railroads, for the receipts of the railroads in six months equals the total business of the post office in fifty years. Furthermore it is a fact that every country in the world operates its postal system fairly successfully, but no country has been successful in the operation of its railroads. This shows that there must be some inherent difference between the postal system and the railroads. I thank you.

SECOND AFFIRMATIVE REBUTTAL

Millard Joslin, Coe

Our Opponents have spent a great deal of time in endeavoring to show that it would be financially impossible for the Government to take over the railroads. Let us see just how much weight this argument has. The national wealth of France is

estimated to be seventy billion dollars. Her national debt is thirty-five billion, one-half her national wealth. England's national debt is about one-half her national wealth. The same is true of Italy. Germany's national debt is much more than one-half her national wealth. Our national wealth is estimated to be \$250,000,000,000. The largest estimate made this evening by the Negative in regard to how large our national debt would be after the roads were taken over is fifty billion dollars, about one-fifth of our national wealth. Moreover this money would not go into powder and smoke. For every dollar invested the people of the United States would have a dollar's worth of railway property. We can see no reason why it would be financially impossible for the Government to take over the railroads.

Both the Negative and the Affirmative are arguing for a monopoly this evening. In every one of the seven alternative plans proposed by the Negative there is the same tendency towards a railroad monopoly. Our Opponents have declared themselves in favor of having the anti-pooling law repealed. This is another great step towards a monopoly. To use their own words they demand that the private managers be allowed to do under private ownership the very things that the Government would do under government ownership. The vice-president of a great railway system says, "Should the Government grant the railway companies the privilege of doing business in the most economical way, **the companies would still have to be coerced into doing it that way.**" As early as 1879 the German Cabinet declared, "To place the control of all the means of transportation in the hands of one enormous, profit-seeking corporation would be antagonistic to every public interest." Samuel O. Dunn says, "It seems improbable that the public will ever consent to the merger of the railways while their ownership is private." Isaac L. Rice says in the North American Review, "Even if it were possible, theoretically to frame laws controlling a great railway monopoly and making it responsible to the people; practically, such laws would either not be framed or would not be enforced owing to the tremendous power the monopolist would yield." In my main speech I told you what it would be necessary for the Government to do before it could hope to efficiently regulate our railroads. How the Government

would have to dictate the service which the railways give. How it would have to tell them where they should buy their supplies and how much they should pay for them, etc. Richard Olney, former Secretary of State, says, "When the Government goes so far as to dictate the prices a corporation may charge for what it sells and to fix the capital it may invest in its business, and to prescribe the securities by which that capital is to be raised, Government ownership has, in effect, arrived."

And now, let me call your attention to the fact that so far in this debate the Negative have not taken issue with us on our contentions concerning what the Government must do to efficiently regulate the railroads. Nor have they shown you how the private companies would finance the roads if they were turned back to the private managers. The next and last Negative speaker must take up these issues for around them hangs a great share of this debate.

THIRD NEGATIVE REBUTTAL

George W. McClure, Monmouth

Honorable Judges, Ladies, and Gentlemen: Judging from our Opponents arguments they claim the purpose of private ownership is profit.

Judging from the \$252,000,000 deficit for the past fifteen months of government operation, even with an increase in both freight and passenger rates, we should say the purpose of government operation is loss.

Our Opponents have spoken of the great failure of our thirty-two years of railroad regulation. Let us remember however that the Interstate Commerce Commission has had power to enforce its decrees for only ten years and during that time all evils have either been eliminated or greatly reduced. The Government failed for a hundred and thirty years to regulate our national banks, and in 1913 perfected the finest banking system in the world, which has stood the test of peace and war.

Our Opponents maintain that the railroads are a twenty-billion dollar monopoly and should be public rather than private. But let us not forget that the concentration of power in the hands of the Prussian government, of those functions which

properly belonged to the individual, was the one great factor which made that government a menace to the world. Our Opponents assert that this concentration of power in private hands is dangerous, but, Honorable Judges, would not this concentration of power in the hands of the Government be still more dangerous?

Moreover we do not admit that the railroads are an absolute monopoly, and they certainly can be made safe by government restrictions. The Saturday Evening Post for February 1, 1919, editorially says, "The object of all restrictions is to protect the public against monopoly prices, and Federal power to regulate rates affords ample protection." The Post believes in reasonable pooling and says of it, "By such an arrangement every advantage of unified operation—such as joint use of terminals, consolidated train service, and so on—could be had. The public would be protected against extortion, for rate control would be in the hands of the Government. There would be scope for private initiative. We should be saved the plague of government ownership under which politics would corrupt the railroads and the railroads would corrupt politics."

We should like to read the following telegram received this evening, the result of an interview of the Monmouth Debate Coach while enroute to Cedar Rapids to the debate there with Coe tonight. This telegram not only bears out our case, that with proper restrictions, private ownership is absolutely safe, but also strengthens our case that public sentiment is decidedly against government ownership, which portion of our argument our Opponents have entirely failed to refute.

"Mr. Davis, prominent attorney, Iowa City, and Dean Raymond, University Iowa, say it is unlawful to force security holders to part therewith except by giving cash. Bond issue absolutely necessary. Dean Raymond, in personal interview, in response to our question, 'What are arguments favoring government ownership?' says, 'There are none.' Also he says, 'Great mass of American people absolutely opposed.' When asked if pooling under proper restrictions would be dangerous in private hands, says, 'NO.'" So by the authority of Dean Raymond, of the University of Iowa, our case, that the people are opposed to government ownership, is substantiated. And we have shown you that no plan or system could be a success which is in oppo-

sition to the majority of the people's wishes, while our Opponents' case, that private monopoly is dangerous, is destroyed.

Our Opponents favor paying cash in buying the railroads. Now the only way this can be accomplished is by floating a twenty billion dollar bond issue. A twenty billion dollar bond issue at this time is hardly feasible. It is only with great difficulty that the seven billion dollar Victory Loan will be floated. Think of raising another loan for twenty billion dollars on top of that, when the bankers according to Dean Hay's authority, which we have given you, will not support such a loan to buy the railroads.

Our national debt is now twenty-five billion dollars and it hardly seems advisable to almost double it when we consider that the American privately owned railroads were the best in the world. Our Opponents' plan to secure half the question—ownership—can only be considered lack of foresight or judgment.

Our Opponents have based half their case more or less directly on W. G. McAdoo's authority and figures in telling of the success of government operation. Now this same ex-Director General of railroads, the author of all these facts and figures, and knowing them, two months later comes out as opposed to government ownership, according to the Review of Reviews.

Our Opponents' evidence must count for little, when we consider that the very man that gave them the most of their facts and knowing them himself, comes out as opposed to the government ownership and operation our Opponents are advocating.

Now, Honorable Judges, we of the Negative rest our case on the following facts which we believe we have established. The American railroads in private hands were universally conceded the best in the world. Government ownership in foreign countries has always been a failure. The United States burdened at present by the most colossal debt in its entire history would not be justified in assuming an additional burden of twenty billion dollars. Furthermore, because the government does not attract the most able men to its service, the railroads under government operation would lack efficient leadership.

The spoils system or civil service would determine the selection of employees, neither of which recognizes the true worth of the individual. Our Opponents have been unable to

decide which of these two evils is the greater and so have not answered our question as to which system they favor. Politics would wreck the railroads' honest operation, and pitiful governmental wastefulness and extravagance would prevail. Our Opponents have entirely failed to disprove either of these statements. Tireless energy and individual initiative, America's choicest possessions, would be relegated to the scrap heap. This is one of the unanswerable arguments of the Negative. It has not, nor can it be successfully refuted. The condition of the railroads must become absolutely hopeless before this nation would be justified in stifling that initiative which has built half the railroad mileage of the world, invented the telephone, the telegraph, the cotton gin, and the aeroplane.

That government ownership does destroy individual initiative has been proved by the German nation. All military authorities agree that the German soldier was a mere cog in a machine, a slave to his master's will. But the American soldier by his daring and his fearlessness was more than a match for the Hun. He was the marvel of the war. It was the individual initiative of the American soldier that won the war and saved Democracy. State Socialism in Germany stands condemned before the bar of history. Let us not make the same fatal mistake.

THIRD AFFIRMATIVE REBUTTAL

Edmund B. Shaw, Coe

Ladies and Gentlemen: Consider the status of some of the authorities upon whose statements the Negative have based their case to-night. First there is Mr S. O. Dunn of Chicago, Editor of the *Railway Age Gazette*, a publication financed by the railroads and having as its chief purpose the molding of public sentiment against any change in the transportation system which would lessen the power of the great railway overlords. In addition, there is Mr. Kruttschnitt, President of the Southern Pacific System. When the system of private ownership is on trial, we cannot accept the testimony of the paid propagandists of private ownership. The railways spend millions every year scattering their propaganda in an attempt to postpone the coming of government ownership. For example, at Chicago is located the Bureau of Railway Economics, whose

literature bears the caption, "Bureau of Railway Economics. Established for the Scientific Study of the Railway Problem." But we may rest assured in advance that none of the scientific findings of such scientific boards will ever be in favor of government ownership of railroads.

The Gentlemen have so far failed to tell you why it is that the railroad magnates are opposed to the proposed five-year extension of the period of Federal operation. It is not because the rental paid by the Government is insufficient. The rental guaranteed to the roads is based on the average of the three most prosperous years in the history of the roads, and equals $8\frac{1}{2}\%$ of the present value of all the railroad securities. In other words, under the government guarantee railroad stocks have suddenly become government bonds bearing an interest rate of $8\frac{1}{2}\%$. Railroad officials are demanding an early return of the roads simply because if government operation is given a fair trial under peace conditions the showing made by the Government will be such that the roads will never be returned to the private owners.

Let me mention again that the Gentlemen have failed to advocate any one definite plan of private ownership. While they concede the failure of pre-war plans of private ownership, they offer nothing in its place except seven vague, ill-defined plans, to which they have referred. They tell you that we must show the superiority of government ownership over any and all of these seven plans. We refuse to step into the trap which they have set for us by wasting time in a futile comparison of our one definite plan as opposed to their plans. Since the Gentlemen of the opposition have not outlined a plan of private ownership, the inevitable conclusion is that they have none to offer as a solution of the evils of private ownership.

My colleagues have pointed out the three main issues resulting from the clash of opinion peculiar to to-night's debate. They are: Is there a need for government ownership? Secondly, is government ownership preferable to a revised plan of regulation? and lastly, is government ownership practicable in operation? My colleagues have already discussed the first two of these. Let us consider the third: is government ownership practicable? The Negative contend that it is not and they point to the alleged incompetence of the government in business un-

dertaking. They use the post-office system as a glowing illustration of government inefficiency. Let me again call your attention to the words of Henry R. Seager, the noted economist, "The United States post-office renders more efficient service than a private enterprise organized for profit could possibly do." Theodore H. Price, Financial Editor of the Outlook, tells us that private enterprise could not have given us the postal facilities we now enjoy at any price.

The Gentlemen tell us that government ownership would be impracticable and unsuccessful because of political abuses. If there are political dangers under government ownership, there are greater ones under private ownership. Prof. Jenks of Cornell University, formerly of the United States Industrial Commission, describes the political influence of the railroads under private ownership as "the chief menace to the integrity of our institutions and to the welfare of our country." Richard T. Ely sums up the advantages of government ownership under four divisions and the second is, "The elimination of the railroads from politics." Martin A. Knapp, former chairman of the Interstate Commerce Commission, says regarding the political dangers of government ownership, "We may well question whether government ownership would under any circumstances introduce into American politics a more vicious or dangerous force than the railroads now exert."

But the Gentlemen have based their chief arguments against the practicability of government ownership on the alleged failure of the first year of federal operation. They tell us that federal operation has failed, and as proof of the statement point to the deficit of \$250,000,000 and to the impaired service. The only remarkable thing is not that there was a deficit but that the deficit was so small. On the single item of wages alone the Government, because of increased living costs, was compelled to pay over \$700,000,000 more in 1918 than the private owners of the roads paid in 1917. The coal consumed by the railroads during the first year of Federal operation cost \$170,000,000 more than the same number of tons cost in the preceeding year. Ties used in repair work cost \$70,000,000 more than the same number of ties cost in 1917. Moreover these increased prices, made necessary by changed economic conditions, were in force for the entire year, while the increases in rates referred to by the opposi-

tion did not become effective until June 10. The report of the Director-General of the railroads states that if the rate increases had been effective for the entire year, there would have been a surplus to the Government of \$100,000,000 in the railroad budget. It is amusing that the Gentlemen of the Opposition should argue that the existence of a deficit proves the failure of government operation, when Mr. Thomas Cuyler, chairman of the Railway Executives, an organization representing 93% of the mileage of the country, admitted, in testimony given before the Senate Committee on Interstate Commerce, that the private owners could not run the railroads on the present rates, with prices as they are. As regards the quality of service given by the Government, the Director-General of the railroads says that whatever inconveniences have occurred have been entirely the result of the necessity of moving troops and war supplies, and were in no way connected with the fact that the Government was running the roads.

Thus we see that government ownership is practicable. The arguments of the opposition that it is impracticable because of the incompetence of the Government, because of political dangers, and because Federal operation has failed, have been shown to be unsound. Because government ownership is practicable, because a change in the present system is needed, and because revised regulation is incapable of solving the problem, it is our contention that the Federal Government should own and operate the railroads.

MONMOUTH COLLEGE, AFFIRMATIVE

versus

COE COLLEGE, NEGATIVE

FIRST AFFIRMATIVE

Leonard W. Melburg, Monmouth

We are discussing tonight a question fraught with the utmost importance to the American nation. Our very life and existence depends upon the efficiency of transportation. It has been estimated the city of Chicago would be paralyzed and on the verge of starvation if communication with the outside world would be severed for only two weeks. General Joffre said, "The battle of the Marne was won by the railroads of France. This was a railroad war."

In September 1916 the four railroad brotherhoods were threatening to strike in case they were not granted certain demands. As Prof. Ripley of Harvard University said, "The people of the United States were as clay in the hands of a potter." Regulation had failed, arbitration would not be considered and the public was helpless, and had not the four railroad brotherhoods with irresistible pressure dictated the Adamson Act, a national strike would have been declared and the suffering and starvation that would have followed is too terrible to contemplate. However we do not claim that strikes would be absolutely eliminated under government ownership, but we do claim they would be reduced. Who ever heard of a strike in the postal service? Furthermore only last month one million, five hundred thousand railroad employees voted almost unanimously in favor of government ownership, and if there is less cause for unrest and discontent under federal ownership, it is reasonable to assume there would be fewer strikes.

The Negative will no doubt point out to you the efficiency of the American privately owned roads. And yet in December

1917, in the midst of the great war, private operation had broken down. One hundred and forty-five thousand cars were congested in the East and the Government was forced from sheer necessity to take over the lines. Therefore since the Government had to assume control we maintain the American railroads were not so efficient as the Negative would lead you to believe. Now we maintain that if the Government is forced to take over the rails in times of crises, they might as well own them.

In advocating government ownership of the railroads we are advocating no new or untried measure, for half the railroad mileage in the world outside the United States is governmentally owned and operated. We might base our proof on the success of government ownership in foreign countries because in most cases it has been reasonably successful. But because of the inherent differences between the United States and foreign countries we will waive all foreign analogy. But in passing this point please keep in mind two things: First, Governments have been taking over their roads at the rate of one per cent a year, Second, No government that has ever taken over its lines has ever returned them to private capital. According to Dr. Fetter, Professor of Economics at Princeton University, "Railroads and canals are publicly owned and more or less successfully operated in many foreign states, and this policy is rapidly extending to other countries."

In the course of this debate we will present the following arguments: First, There have always been evils existing under private management, which, as our second speaker will show, regulation has not and cannot remedy. Second, Government operation during the war has demonstrated certain merits which must never be sacrificed; and Third, These advantages can be more safely guaranteed under government ownership and operation.

In citing the evils under private management we mention first those of rebating and discrimination in rates. It is an admitted fact that the trusts of America are a direct result of secret rebates. John D. Rockefeller, Andrew Carnegie and Louis F. Swift are multi-millionaires because of secret rebates on railroads. Dr. F. A. Fetter states that "Competent authorities declare that after years of regulation by the Interstate Commerce Commission discrimination never had been worse." And if the

Negative contend that this evil no longer exists, let them remember that the late James J. Hill declared, "Rebates and discriminations never have ceased and never will cease." We challenge the Negative to point out any existence of the evil of discrimination during the fifteen months of government operation.

The second evil is that of stock watering and stock manipulation. Who does not know of Mr. Harriman's exploitations of the Chicago and Alton, or Dan Reid's wrecking of the Rock Island or Mellin's destruction of the New York, New Haven and Hartford. These distinguished wreckers of railroad property carried on their pernicious practices in the very shadow of the authority of the Interstate Commerce Commission. Professor Wm. Z. Ripley of Harvard in speaking of the New Haven, says, "Within nine years of 1912 the outstanding securities of the company had increased from ninety-three to four hundred and seventeen millions, although the operated railroad mileage had increased only fifty miles." And if the Negative contend this evil has been eliminated, we call their attention to the fact that on July 21, 1915, but three and one-half years ago, the Wabash road was bought for eighteen millions and on November first of the same year, it was incorporated with a capital stock of one hundred and forty-seven millions, one hundred and twenty-nine millions of pure unadulterated water. Between 1887 and 1915, according to the statistical abstract, 788 different roads have gone into the hands of receivers while 1,014 have been sold under foreclosure. According to the World's Almanac for 1916, at that time eighty-two roads were in the hands of receivers. This is one-sixth of the railway mileage of this country and was a direct result of stock manipulation. We need but call attention to the thousands of people who were impoverished by this frenzied finance and wild profiteering. We again challenge the Negative to point out any existence of stock watering during the fifteen months of government operation.

A third evil of private ownership is the absolute impossibility of equalizing costs of operation so that the same rate will be fair to all concerned. The railroads gave us an alibi for their breakdown of war time transportation, the claim that their revenues had been so limited that they were unable to maintain the efficiency of their property. And yet according to the United

States Statistical Abstract for 1915, the average net profit of all the American roads was 8%, even on their highly watered capital.

It also shows for the fiscal year ending June 30, 1916, the average profit to be almost 12%, while the Burlington road made over 25%. On the contrary, the Rock Island road, operating over practically the same territory and under very similar conditions, was in the hands of the receiver. Obviously, any rate which would have permitted the Rock Island to make a profit would allow the Burlington to reap an enormous harvest. On the other hand a rate based on the cost of operation for the Burlington would and did force the Rock Island into bankruptcy. And such a condition must exist as long as the Government insists upon regulating the income of the railroads regardless of the different operative costs. It has been said, "We must fatten the fit in order that the unfit may survive." So far the Interstate Commerce Commission has shown itself unable to solve this difficulty which obviously would be eliminated by unification under government ownership. Thus we see, Honorable Judges, the impossibility of making a just rate under private ownership.

Another evil of private management is the conflict between the regulation of interstate traffic by the national government and regulation by each individual state of its internal business. As an example of this conflict, we find the Interstate Commerce Commission, a few years ago, establishing an interstate passenger rate of two and four-tenths cents per mile, while the Illinois legislature decreed a rate of two cents for that state. A conflict arose which was finally carried to the Supreme Court of the United States. The state of Illinois was upheld, and even now after two years the railroads are still paying the claims for excess rates charged their patrons. And the question of rates is not the only one in which discrepancies arise. The number of men in a crew, length and speed of trains, sanitary conditions and scores of other matters have been the subject of various regulatory measures in the different states. As Professor C. O. Ruggles of Ohio State University says, "The present plan of arbitrary state lines in no sense coincides with traffic needs, and regulation by each individual state of its internal business seriously interferes with interstate traffic." He goes on to say,

"If government ownership should be adopted, this evil would be eliminated."

In the opinion of six prominent Illinois attorneys whom we have consulted our Constitution will not permit us to deprive the individual states, under the present system of private ownership, of the jurisdiction over the traffic within its borders. As long as our National Constitution gives to the Federal government only the control over interstate traffic, the railroads under private ownership will be as slaves in the hands of forty-nine masters and will continue so until the Government owns the roads and through its ownership becomes the sole arbiter of their destiny.

In conclusion, Gentlemen, we would like to ask the first speaker of the Negative to answer three questions:

First, Do you favor government ownership and operation of the postal service?

Second, Did you consider government operation during the war necessary and successful?

Third, Do you favor the pre-war system of regulated private ownership?

If not, what system do you favor?

I thank you.

FIRST NEGATIVE

Julian E. Jackson, Coe

Ladies and Gentlemen: As first speaker for the Negative it shall be my purpose to prove that government operation and ownership would be undesirable. In the first place such a radical step would be undesirable from the Government standpoint.

The war is now over, and the only excuse ever offered for the assumption of governmental control, that of military necessity, is now obsolete. Moreover, the Government is now struggling with the great problems of reconstruction and reorganization. It has tasks before it now greater than those of the war period. We of the Negative believe that this is not the time to throw onto the Government's shoulders the added burden of railroad operation and ownership. We believe that this step would prove a very real and a very serious burden. \$20,000,000-

ooo would be added to the national debt already boosted high by war expenses. \$150,000,000 annually collected in taxes from the roads would remain out of our public coffers. But these are not the only problems to be met.

The minute details of operation and ownership would be thrown upon the Government and its officials. Thus the Government would be required to not only determine what rates the railways must charge but what service they must give in return. It must determine wages for workmen and salaries for the upper class employees. It must tell where supplies will be bought and what will be paid for them. It must struggle with the problems of rate setting, it must unravel labor difficulties. It must settle new Civil Service problems, it must select locations for terminals, and provide for their erection and equipment. It must dictate the standard of living of two million employees. Senator Bourne recently said, "Government regulation is just as essential under government ownership as it is today. Where the Interstate Commerce Commission now has one problem to solve it would have ten under government ownership." Franklin K. Lane, former member of the Interstate Commerce Commission, says, "Ownership by the Government implies regulation by the Government. If Congress and the Interstate Commerce Commission fail what assurance have we that Congress and some other commission will succeed. The problem of railroad regulation will always be with us no matter in whom the ownership of the railroads is vested."

In the plan of the Affirmative there are great opportunities for sectionalism, graft, and pork-barrel legislation. Can we doubt that the best appropriations, extensions and improvements would go to the section having the strongest representation in Congress? The expenditure of vast sums of money for these purposes would give an excellent opportunity for pork-barrel legislation. As Senator Kenyon has said, "Congressmen would under government ownership be interested in an extension of the lines to every little Podunkville in the country. Can we believe that a Congress which passes river and harbor bills providing for the sinking of millions of dollars in worthless harbors and shallow creeks and the construction of hundred thousand dollar post offices in fifty dollar towns, would refuse to spend money for the extension and improvement of lines for purposes

which are purely political? (Speaking on the subject of pork-barrel legislation ex-Senator Burton said, "The most discouraging feature of this condition is that it seems to be growing worse each year.") The magnitude of our railways and their enormous expenditures of money emphasize this danger. The Gentlemen of the Affirmative are asking us to turn over to the Government an enterprise costing \$20,000,000,000 and allow the officials of our Government to manage it. What has been the success with which Government officials have managed private enterprises in the past? Mr. Logan McPherson has said, "The country has many reasons to be proud of its Government, but the methods by which it has expended the public money do not constitute one of them."

In May, 1916, in speaking on the \$43,000,000 river and harbor bill then before the Senate, Mr. Kenyon said that at least \$20,000,000 was going for unjustifiable projects. Congressman Frear reports that \$150,000,000 have been sunk in and along the Mississippi River, and the commerce has decreased 90% while we were squandering that enormous sum of money. In the 1916 session of Congress Mr. Langley introduced a bill for \$75,000 for the building of a post-office at McKee, Ky. In 1900 McKee had a population of 106. By 1910 it had grown to 146. Its total annual post-office receipts are given as \$526.00.

Again Mr. Frear said: "The 1916 bill that passed the house was a fair sample of annual pork-barrels, with public funds distributed around to practically every state for votes to put it through." Senators Aldrich and Burton have estimated that at least one-third of the money expended by our nation through the Government is wasted. May we not expect the same sort of disastrous lack of business efficiency in the spending of the \$20,000,000,000? Will not each Congressman want a new depot for his community? Will not a double track for his district be a sure way to secure enough votes to return him to Washington? We contend this. The United States Congress has shown its absolute inability to properly spend money, as shown by the River and Harbor bill and by the appropriations for postal buildings.

Thus we have attempted to show that government ownership is undesirable from the standpoint of the government, because the Government does not need the railroads for military pur-

poses, and because it would throw added burdens on to the shoulders of our Government, already struggling with the great problems of reconstruction, and because of the great opportunities for graft, sectionalism and the pork-barrel.

Government ownership would be undesirable in the second place from the standpoint of the railroads. The present situation does not demand so radical a measure as government ownership. Private enterprise is capable of handling the railroads. Private enterprise has built up in America the greatest transportation system the world has ever seen. One-third of the total mileage of the globe is laid in the United States. President Hadley of Yale says "Our railroads are even better equipped than those of Europe for the economical handling of long distance freight." In spite of the rising costs of labor and material the railroads were more successful than ever during the three years just preceding the period of government operation. The ability of the railroads to finance themselves is shown by the fact that before the war railroad bonds on the average were the most stable of any securities on the market. Otto H. Kahn says, "Individual enterprise has given us the most efficient railroad system in the world."

This highly efficient and rapidly improving system is the product of private enterprise and has been made possible by the initiative, foresight and courage of America's greatest business men. Mr. S. O. Dunn, editor of the *Railway Age Gazette*, says, "There is not an officer of a railroad who does not owe his position to his experience and proved ability in his special line of work." Mr. H. M. Acworth, the leading English authority on railroads, says, "Every time I am brought in contact with American railroads the over-powering impression produced on my mind is of the marvelous results which the efficiency of the railroad men produces with the minimum expenditure of capital and income."

And yet the Gentlemen of the Affirmative would take this rapidly evolving highly dynamic system out of the hands of the men who made it possible and place it under the rigid, unprogressive, irresponsible control of the state. Such a step must prove disastrous. By leaving the railroads in private hands we will preserve for the country the inestimable advantage of private initiative, efficiency, resourcefulness and responsibility.

Thus we have attempted to show that government ownership is undesirable for the railroads because private enterprise is capable of handling the American railroads.

Government ownership is undesirable in the third place from the public standpoint. Present service and rates are adequate. Julius Kruttschnitt, an acknowledged master of railroad efficiency, stated in a recent Harvard lecture that in his judgment as a whole the American railroads are now and for many years have been operated with an efficiency which is astonishing and that the public has got the benefit of it, and that by the practice of efficiency methods by the railroads more than \$7,000,000,000 was saved to the public in transportation charges in the past fifteen years. On this point Mr. Bourne says, "It seems to me to be absurd to argue that the Government could take over the railroads, and give service as good as that now rendered at less cost."

Mr. M. A. Krupp, ex-chairman of the Interstate Commerce Commission, says, "The American railroads have the lowest capitalization per mile, the lowest rate and pay the highest wages in the world." We see therefore that under the present system the people of the United States are getting adequate facilities at reasonable rates. Professor W. Z. Ripley of Harvard says that "The American shipper has received at the hands of the railroads a more adequate service than the shippers of any other country in the world."

Moreover the public as a whole does not desire that this radical step be taken. There has never been any organized effort on the part of the people to secure its adoption. There has been no general expression of opinion in favor of government operation. On the other hand, states the Business Digest, "If the periodicals and newspapers at all reflect our national sentiment, the country as a whole still believes in private operation."

Thus we have attempted to show that government ownership is undesirable from the public standpoint, because present service and rates are adequate, and because the public as a whole is not in favor of such a radical measure.

Let us sum up the arguments of the Negative so far advanced. We have pointed out that government ownership is undesirable from the standpoint of the three parties most concerned, namely, the Government, the railroads, and the public.

We have not debated the theoretical relation of the Government to the railroads or to the people. The question is under which system will the railroads be operated most satisfactorily for the greatest number of people. We contend that because of the undesirability of this radical step, the government should not own and operate the railroads of the United States. I thank you.

SECOND AFFIRMATIVE

J. Glenn McFarland, Monmouth

Honorable Judges, Ladies and Gentlemen: The Speaker who has just left the floor, stated that public opinion is against government ownership of railroads. We quote from a recent speech of John M. Baer, Representative from North Dakota, "If I sense the opinion of the majority of the people correctly, they are in favor of government ownership of railroads." Furthermore we should like to ask our Opponents why it was that during the thirty-two years of regulation by the Interstate Commerce Commission, 1,014 railroads have gone into the hands of receivers. Gentlemen, what in your opinion caused these railroad bankruptcies?

Furthermore how does it come that these privately operated railroads which the Opposition claimed were such a success, failed at the time of a great crisis and the United States government had to take control? Thus far in this debate we have shown that our railroad system prior to the war was objectionable because of many evils which continued to exist up to the very day the Government took over the lines. It shall be my purpose to present to you two arguments:—

First: The Interstate Commerce Commission is inherently defective and can never successfully solve our railroad problem because it has been endeavoring to regulate something which it cannot see. Second: The results achieved during the last fourteen months of Federal operation have been unmistakably successful and have demonstrated the advantages of unified control.

Now the sole motive of private industry is the desire for profit. The railroad on the other hand because it is a public necessity should not aim primarily to make profit but rather to

give to the public the greatest possible service at the lowest possible cost. On the one hand the capitalist demands his large profits; on the other the public demands efficient service at a reasonable cost. In this struggle between the capitalist and the public the Government has used suggestions, investigations and threats. The capitalist has used discrimination and secret rebates, interlocking directorates, inflated salaries, legal bankruptcy and a pitiful camouflage of accounts in order to obstruct the plans and workings of the Interstate Commerce Commission.

According to the *Arena*, "Not one of the railroads has ever suffered the penalties of the Interstate Commerce Commission, altho the records of the courts are full of violations. President Stickney of the Great Western railroad says, "All the jails of the country would be filled to overflowing if the offenders of the law were prosecuted." It has proved impossible in many cases to compel the railroads to regard the laws demanding the adoption of interlocking switches, automatic couplings and proper protection at crossings. As a result of the railroads failing to comply with safety laws, note these figures: In the United States there is one employee killed out of every 30 while even in Germany where life and property are counted of so little worth, one employee is killed out of every 136. In the United States one passenger is killed out of every 181,000, in Germany one passenger is killed out of every 500,000.

According to the laws of the United States its railroads have a legal right to demand sufficient revenue to operate at a profit, a concession granted to no other industry. Therefore if a certain road is legally bankrupt the commission must allow a rate increase altho the owners may be secretly reaping enormous profits.

Professor T. W. Van Metre of Columbia University said recently, "In 1915 there was a greater mileage of lines under the control of receivers than at any time previous in the history of the country and this fact was earnestly presented as evidence of the need for increased rates. A very brief analysis showed that two-thirds of the roads in the hands of receivers had reached bankruptcy because of the shameful financial operation of the speculators who had secured control of the roads." And yet the railroads claim the Government was wrecking their property because rates were too low. As Professor Van Metre

points out this condition still exists and the Interstate Commerce Commission working at its best has been unable to remedy the evil.

The Interstate Commerce Commission itself has recognized the difficulty of regulating the railroads and the almost hopelessness of the task. The following is their direct testimony in regard to an investigation of the New York, New Haven & Hartford Railroad. "In its search for the truth the commission had to overcome such obstacles as the burning of books, letters, documents and the obstinacy of the witnesses who refused to testify." In the same report the commission testified "Evidence of wrong doing was difficult to obtain. Men do not conduct such transactions in the open but rather in secret and in the dark. Only those directly involved have such information." Thus, Honorable Judges, how could the Commission be expected to regulate in a satisfactory manner our vast transportation system, when it is confronted with such problems as these? But the most discouraging aspect of the problem is the ability of the large railroad corporations to discover subtle methods of evading the orders of the various regulating bodies. The best legal talent of America is engaged in devising various means of evading the orders of the Interstate Commerce Commission. Charles Evans Hughes has said, "Commission regulation merely drives the corporation from one means of concealing dividends to another with a sole and avowed purpose of reaping dividends at all costs." Commission regulation has failed because the Commission is an outside factor and cannot get on the inside of the problem. If we delegate to the Commission the power it would need to remedy these evils, the private corporation would lose its identity and we would emerge to virtual government operation. As long as government regulation remains regulation and not operation just so long will it fail. The late President Van Hise of Wisconsin University has said, "Under commission regulation the advantage is uniformly on the side of the private corporation."

But perhaps our Opponents may claim that regulation has been continually improving. On this point Professor Van Metre said in the *Annals of American Science* for 1918, "Expressions of dissatisfaction of conditions of railroad transportation have for some time grown steadily in number and in emphasis." This

failure of regulation is not due to the incompetent personnel of the Interstate Commerce Commission because this body has always been composed of able men. It is the system, not the men themselves that is at fault.

The crowning proof of the utter collapse of our system of regulation was tragically brought to our minds in December 1917. The great war was at a crisis; transportation was paralyzed; the railroad congestion in the East was appalling. Unless relieved it might mean defeat for the Allies. At the moment of supreme test private operation broke down and the Government had to come to the rescue and take over the transportation lines of the United States. Why did the Government take over the railroads? Not because of any political consideration, but simply because the railroads after thirty-two years under regulation by the Interstate Commerce Commission failed to serve the United States in its great crisis.

Why did Mr. Garfield issue the order for heatless, lightless and in some cases even workless days? Because the congestion which had arisen under private operation was threatening our successful prosecution of the war. The fact that these conditions rapidly improved under centralized government operation is now a matter of history. Permit me to cite a few illustrations of these results:

Shipments were sent the quickest way. Freight between Chicago and New York for instance was routed over the road least congested. By intelligent routing there was a saving of 45,000,000 train miles. The route from Los Angeles to Dallas was shortened by 500 miles, that between Kansas City and Galveston by 289 miles. In the shipment of ore from the Minneapolis district alone a total of 64,000 cars were rerouted with a saving of 3,500,000 car miles. Ticket offices were consolidated and in New York City alone were reduced from 564 to 98. In our own city of Monmouth we now have a Union station, which was impossible before the war, because the Burlington and the M. & St. L. were not on friendly terms. Terminal facilities were more sensibly utilized than could have been in the days of private operation. But most important of all, freight was routed over the more open lines and the congestion problem had practically been solved.

Contrast these advantages of unified control with the waste

and extravagancies of duplication and competition. Before the war the private companies spent fifty-five millions of dollars in competitive advertising and soliciting business. This sum constituted three per cent of the operating expenses of the roads. This was entirely eliminated under government operation. Between Denver and Pueblo, Colorado, are two single track, separately owned lines: The Denver Rio Grande and the Santa Fé. They are closely enough parallel so they could be operated as a double track system for more than one hundred miles. But such cooperation was impossible until the Government assumed control. Today these railroads are operated as a single unified system: The south bound trains leaving on one track, the north bound arriving on the other, thus avoiding delays and accidents. Mr. McAdoo says, "The day has come when the American people are demanding that our railroads operate as a single unified system and the inconveniences to the public due to wasteful competition be eliminated forever."

The unification of our transportation lines which assisted materially in the glorious victory over Germany will never be surrendered. Unified government operation in war time was a success and it is reasonable to assume that unified government ownership and operation in peace times will be a similar success.

In conclusion, Honorable Judges, I have shown that the Interstate Commerce Commission failed to solve our transportation problem; also that government operation was a success.

SECOND NEGATIVE

Roland Paine, Coe

Ladies and Gentlemen: The preceding speaker has spent much time in citing long lists of indictments relating to rebates and discriminations. But, Gentlemen, that simply proves our contention that regulation has worked and is working. No plan in any business would be considered successful unless it brought the results of its work to the surface—and those indictments are the results of regulation. They prove that regulation is successful.

The Affirmative this evening have advanced what they call a

simple plan for the purchase of the railroads. They propose that the Government condemn railroad stocks and bonds, then substitute government bonds for the condemned securities. But the plan is impracticable because the law requires that the Government pay just compensation for condemned property and Government bonds are not legal tender. To quote Mr. Victor Morawetz, a leading New York lawyer, "If the Government condemned the railroads, it would have to pay for them in cash. But the Government is in no position at the present time to raise the vast amount of money that would be required. An attempt to do so would depress the value of Government securities, would cause an enormous expansion of bank loans and would result in a dangerous disturbance of financial conditions." Then, Gentlemen, if we are to avoid a great financial disturbance, which would be a very serious thing just now, we must think twice before adopting such an impracticable purchase plan as the Affirmative suggests.

My Colleague has already shown that government ownership of our railroads is undesirable because there is no need from any of the three principal parties concerned and no demand from either the railroads, the Government, or the people. It will be my purpose to show that government ownership is impracticable—first because it is an experiment fraught with dangerous consequences. Already this evening the Affirmative have conceded the size of the problem, and that concession makes necessary that they show a distinct need for government ownership. Let us, for emphasis, again review the magnitude of the railroad problem.

The railroads of our country are capitalized at over \$20,000,000,000, their earnings for 1916 were over 34½ billions, they own over 215 million acres of land, they employ about two million laborers or one out of every twenty-nine gainfully employed in the United States and they operate on over 260,000 miles of single track. In mileage, investment, traffic, earnings and expenses, any other railroad system is but a pigmy compared to the United States. Russia has the greatest mileage of any European country—and that is only 50,000 miles, about one-sixth as large as the United States' system. The largest capitalization of any state railroad is \$3,000,000,000 for the Prussian railroad or one-sixth as much as the United States. Then, be-

fore any definite plan is submitted for the ownership and operation of our railroads, we must consider seriously the immensity of the proposition, and the fact that in mileage and capitalization our railroads are six times larger than the next largest system. Therefore, before we take such a radical measure, we must know absolutely in what kind of a situation the railroads will be placed. But do we? Government ownership of such a gigantic enterprise is entirely unprecedented in this country. No one can foretell but one consequence of such a vast undertaking, and that is the fact that after this leap in the dark is once taken, it is irretrievable and must be a permanent policy.

Government ownership of the railroads would create a government monopoly, therefore, if the railroads are once taken over it becomes quite evident that the monopoly will be a permanent one. It would be impossible to redivide or cut off portions of this enormous system to turn back to private hands. And there lies the answer to the contention of the Affirmative that once government ownership has been established in foreign countries the railroads have never been returned to private hands. Once thoroughly scramble the railroads and they can never be unscrambled and returned to private ownership. Therein lies one of the greatest problems of government ownership and it devolves upon the Affirmative to prove conclusively that their plan is the only remedy for the situation, for if government ownership fails there is then no other recourse, we should simply have to bear it.

We object to the creation of such a permanent monopoly in the second place, because the only true standard by which we can judge the Government's ability to run the railroads, namely government operation and management, has failed. When the railroads were taken over a director general was appointed to act in the capacity of general manager for the whole combination, and in order that he might manage the roads most efficiently it was necessary that he have enormous executive powers. These powers were granted him, he was given vast war powers, vast legislative freedom, and a revolving fund of \$500,000,000 on which to start business. He was given every possible advantage to make the plan a success. He had the people behind him, for at that time the public was so thoroughly imbued with patriotism that it responded to almost anything the Government requested.

But what has been the result? In the first place, the \$500,000,000 revolving fund immediately proved itself to be a disappearing fund, and from then on the policy has been one continuous failure. During the first month of government operation there was a 3.3% loss. Attempts are made to explain this on the ground that it was the first month of government operation and the deficit was to be expected as the result of adjustments. However, by the end of the first six months the loss amounted to over \$200,000,000, and at the end of the first ten months the railroads had earned \$250,000,000 less than during the preceding ten months. And this in spite of the fact that the director general had no restrictive laws nor conflicting authorities to interfere with his policies. He acted absolutely upon his own initiative. But Gentlemen, this has been only one phase of the failure.

Soon after the roads were taken over it became very evident that the only hope of relieving the financial difficulty was to increase rates. Accordingly, in June there was a general raising of rates amounting to as much as 5% for passenger rates and it was supposed that these higher fares would offset a considerable portion of the first six months' deficit. However, in July the ratio of expenses to gross earnings was 60%, but by December it had amounted to over 89%. War pressure had been released considerably during December but about eighty roads, including such roads as the Chicago & Northwestern, The Great Northern and Pennsylvania, failed to earn operating expenses plus taxes. But remember, Gentlemen, this was after the war had ceased. George Lorimer, editor of the Saturday Evening Post, declares that only the Government guarantee saved the railroads from bankruptcy.

Not only this, but the Business Digest says that after the month of June it was predicted that the country had definitely done away with all railroad problems. The belief was that we were to enter into a bright and new era entirely different from the period which had just passed. But the result was entirely disappointing from expectations, and must be entirely ascribed to government operation, for there were in the second six months of government operation no extraneous circumstances such as had existed during the first six months to augment expenses. But new wage increases, first for one class of employees

and then for another, often without request from employees themselves, were piled on top of one another with great rapidity, and by the end of the year the payroll had been increased between \$800,000,000 and \$1,000,000,000 with other increases still under consideration.

But, even worse, Gentlemen, on the score of service, government operation has yet to justify itself. The Chicago Tribune is the authority for the statement that the testimony from all parts of the country is that service has been much poorer under government control. It will be argued that this lack of service has been caused by war conditions and the only object of the Government was to transport war materials as quickly as possible. But, Gentlemen, let me again remind you that the war is over and service has not improved, nor does it show any signs of improvement. Shippers, to this day, declare that government control has made service abominable and are constantly urging that the roads be given back to the owners. The citron growers of the South, grain dealers, live stock associations—all have passed resolutions advocating an early return of the railroads to their owners. And the shippers are not the only class of people who favor a return of the roads. The National Investment Bankers Association and the Philadelphia Chamber of Commerce have both protested against a continuation of government operation. Sentiment from all over the country shows itself in favor of a continuance of private ownership and operation.

Furthermore, the moral effect that such a paternalistic policy would create upon its employees must be considered. Senator Watson says that after Director-General McAdoo spoke to a delegation of railroad employees last April 17th, in which he said, "You are all my boys and can't go wrong," there was a general let-up in work and efficiency noticeable all over the country. On the Pennsylvania road alone, 40,000 more men were employed to handle a less amount of traffic. The Government had destroyed their personal initiative. Gentlemen, if we should put labor, the most vital cog in the wheels of service, under the same system of complete government ownership, that personal initiative that for decades has characterized private ownership in the United States, would be lost to the railroads of this country forever.

In conclusion, I have endeavored to show that government

ownership is impracticable—first because it is an experiment fraught with dangerous consequences due to its permanent monopolistic nature, and second—because government operation has shown it to be a failure from the standpoint of finances, of service, and of railroad efficiency.

THIRD AFFIRMATIVE

William McClenahan, Monmouth

Honorable Judges, Ladies and Gentlemen: Thus far we of the Affirmative have shown various evils existing under private operation which the Interstate Commerce Commission has been unable to remedy. We have also pointed out many inherent advantages that government operation during the war has demonstrated. In resuming our argument, I purpose to show you that these necessary advantages can only be secured by combining all our railroads into one unified system, owned and operated by the United States Government.

In the first place, we maintain that government ownership and operation is necessary because most authorities agree that it has been a success as a war measure. In proof of this statement, the "Review of Reviews" for January, editorially says, "As to the success or failure of government administration of the transportation thus far, there are few if any denials of the claim that the government made the railroads function in the task of helping to win the war." The Chicago Tribune also editorially says, "Government operation was the only immediate solution of the problem and despite the criticisms that have been made it seems certain that serious difficulties were avoided by adopting this measure." Among other eminent experts in economy, Professor Frank O. Dixon of Dartmouth has said, "The operation of the railroads under government administration shows that a very high degree of efficiency has been attained."

We do not claim that the success of the past fourteen months under war conditions is absolute proof that the same success will necessarily follow in times of peace, but we do insist that it is a contributing argument in the support of our case. Theodore P. Shonts, President of the transportation system of New York City and its suburbs, says, "We must agree that the present

system has certain merits which must never be sacrificed." After a year's experience as Director General of the railroads, Mr. McAdoo summarizes his report to the Interstate Commerce Committee by saying, "I do not believe that these important reforms can possibly be accomplished if we are to have in the future several hundred different railroad companies as we have had in the past, or even a hundred, or even fifty. I believe they can be accomplished either through a comparatively few railway companies or through single federal control."

Our careful study of the question fails to disclose one single responsible authority who does not recognize the value of a unification of our railroad systems. In other words, students of our transportation problem unanimously agree with the authorities just quoted: That the value of consolidation effected under government operation must be permanently retained.

Now, it is a self-evident fact that these advantages can be and will be permanently secured by the system of government ownership and operation. On the other hand, as Mr. McAdoo has implied, they can only be secured under a system of private ownership by allowing or compelling the great railway systems of this country to be united into a few great systems.

Imagine, if you will, the enormous concentration of power in the hands of a few men, when you give them complete domination over twenty billions of dollars, and entire control over the arteries of commerce and American life. Therefore, the clash in our debate is this: which do we prefer—to continue this unified control in the hands of the people of the United States thru our Government; or to give this tremendous authority to a mere handful of Wall Street millionaires whose records in the past have written a shameful page of American history, the very men, Honorable Judges, whose evil practices the Interstate Commerce Commission has for the past thirty years been unable to curb?

In addition to this danger certain very serious difficulties would inevitably present themselves to any attempt at consolidation under private ownership.

In the first place, the individual roads would probably offer serious objections. This is shown by their refusal to take advantage of even the limited amount of pooling already allowed by law. Dr. T. W. Van Metre of Columbia, says, "The unifica-

tion of terminal facilities and tracks requires that some carriers surrender certain monopoly advantages of location which they have long possessed and such a surrender no company has ever been willing to make." Is it at all probable that the Pennsylvania Railway which owns the Hudson River tubes, the only railway approach to New York City from the West, would surrender this strategic advantage to its competitors?

Secondly, under private ownership the Sherman Anti-Trust Law absolutely prohibits such consolidation. This law has repeatedly been used against railroad combinations. The Sherman Law has been on our statutes for over thirty years and during that period it has been repeatedly strengthened by the Clayton Act and other bills to more adequately prevent the enormous congestion of power and wealth inevitable to such consolidations of private enterprise.

The late Colonel Roosevelt and other eminent statesmen have spent the best years of their lives in an endeavor to curb the evils and malignant power of predatory wealth. The whole policy of the United States, supported by the public opinion of its citizens, has been violently opposed to any monopolistic combinations of private wealth. Are we then willing to abandon this established policy in favor of one which by its immense consolidation of moneyed interests will jeopardize our democratic national institutions and expose us to the inroads of the red flag of Bolshevism? Bolshevism is a protest against just such a combination of private wealth as would be necessary if we are to retain under private operation the unquestioned advantages of unified railway management.

In the third place if, in order to secure the advantages of consolidation, we suspend the Sherman Law in favor of the railways, other industries will undoubtedly for the same reason insist upon similar concessions. In support of this statement Professor L. R. Sarett of the University of Illinois, says, "The power of the law would be weakened and a precedent would be set for its suspension in other industries."

Honorable Judges, can we afford to establish such a dangerous precedent? Can we afford to reverse our entire policy of the last thirty years? No! And yet the whole American nation is not willing to sacrifice the unquestioned advantages of unified railway management. Therefore, it seems obvious that the only

safe and logical way to secure these benefits, consistent with the trend of American policy and sentiment is for the United States Government to own and operate the railroads.

As a precedent for the success and efficiency of government ownership and operation of industry we cite the example of our postal system. Even the Railway Library for 1911 says, "There is no department of governmental or state, nor of commercial work which gives and guarantees so much for so little as the postal system." Lack of time prevents us from naming the many advantages of our postal system but it is important to note that all these advantages are due to the fact that the mails are carried by one centralized system. A concrete example will illustrate this point. In mailing a letter to New York it is absolutely unnecessary to add directions regarding the particular route this letter must take. You mail your letter and Uncle Sam does the rest,—that is, the United States Mail sees that it goes by the most direct way, in case one railway is overtaxed, the letter is sent over another line without delay.

In recent years, however, we find a still better example of our Government's success in a business undertaking. After private initiative had spent years in a futile attempt to build the Panama Canal, the United States Government began and quickly accomplished this gigantic project.

After such splendid records we maintain that only ignorance, lack of confidence, or a personal interest can be responsible for the objection that the Government would be unable to operate the railway system.

But one point remains to establish our case. Opponents of government ownership maintain that such a policy will involve the railways in politics. On the contrary we do not believe that this is necessarily the case. Of course if the administration of the system were entrusted to a body like Congress the disastrous result would be inevitable. But why give this power to Congress? We already have four great nonpartisan bodies entirely free from Congress. One of them is the Interstate Commerce Commission which our Opponents regard so highly, the others are the Federal Trade Commission, the Federal Reserve Board, and the Supreme Court of the United States. These bodies have been controlling our affairs for years and we have yet to find

a single instance where a member of any of them has ever been guilty of political corruption.

Now, Honorable Judges, if we can maintain these four great bodies absolutely independent of Congress and free from politics, there is no reason why we cannot have a similar body, appointed by the President with long overlapping terms, to exercise control and be held responsible for the operation of the railroads.

The workmen, the vast army of railroad employees will be selected much as they are now and promoted according to efficiency in the service.

These in brief are the major points in our plan for government operation of the railroads. Lack of time prevents further detail, but precedent shows that under such a commission as we advocate the railways can be kept free from politics, for it is an undisputed fact that no governmental activity either in this country or abroad, administered under this plan has ever been influenced by the spoils system.

And so, Honorable Judges, we must choose between two methods of railroad administration. We may return to the old system or to a system of consolidation in private hands, either of which means that the real power will work like the thief in the dark, influencing our halls of legislation and justice, playing high finance with our industry, wrecking our railways, and impoverishing our citizens; on the other hand, we may adopt the logical system of government ownership and control, a system characterized by its publicity, simplicity and uniformity in which the operation is for the benefit of the people and the administration is in the open.

Therefore, Honorable Judges, we advocate federal ownership and operation of our railroads, because it is the only possible cure for certain grave evils, because a centralized system has shown many advantages that all experts agree must never be sacrificed, and, finally, because such a centralization can only be safely secured by combining our railroads into one unified system owned and operated by the United States Government.

THIRD NEGATIVE

Charles S. Weber, Coe

Ladies and Gentlemen: Before proceeding further with the constructive argument let us review the Affirmative case as it now stands. The argument of the Affirmative resolves itself into two contentions: That government ownership is a practical solution of the railroad problem, and that any other method of solution is impracticable. The closing speaker of the Affirmative has given us the grounds for this contention by naming four government boards, including the Interstate Commerce Commission and the Federal Reserve Board, which he claims have been exceedingly successful. To destroy his case we need call your attention to but one fact, that these are regulatory boards controlling private enterprises. Not one of these enterprises is government owned. Conceding, then, the success of these commissions, we find that the gentleman's argument becomes not an argument for government ownership but an argument for the success of government regulation of private enterprise. The very foundation of the Affirmative case is thus destroyed.

But, our Opponents claim, any other method is impracticable. And why? Because, they point out, under government regulation the Government is asked to regulate the invisible. Now, Gentlemen, when the University of Illinois debating team first used that argument it might have been a worthy one, but since that time Congress has passed a law giving the Interstate Commerce Commission complete access to all railroad books and has thus eliminated this difficulty. Our worthy Opponents are just a trifle prehistoric.

Moreover, they declare that it is impossible for suitable legislation to be passed over the heads of the various states, forgetting that, as the Interstate Commerce Commission has already recommended, this difficulty can readily be solved by a co-ordination of the state boards with the national commission.

Finally, the Gentlemen of the Opposition have crystalized their objections into three questions to which they demand answers. The second and third questions find their answers in the constructive speeches of the Negative; the first question—

Do we favor government ownership and operation of the postal service?—deserves separate consideration.

The manner in which the Negative answers this question makes very little difference; the plain fact is that the Government will not consider any other scheme. A few years ago (as stated in Senate Report No. 201) a private corporation offered to take over the post office, reduce rates to one cent an ounce, and make a profit. Although the Congressional Committee reported that the elimination of political graft and inefficiency would make this possible, the offer was rejected. Furthermore, former Postmaster Burleson said that he could save ten million dollars a year if he could lease the operation of rural routes to private corporations. And it is because of this wastage, this unrewarding of efficiency, and because of the obnoxious spoils system that we declare government ownership impracticable.

In contrast to the case which we have just analyzed, let us review the Negative arguments as they have been presented. My first Colleague has shown that government ownership is undesirable from the standpoint of the three principal parties concerned: The Government, the railroads, and the public. My second Colleague has further developed the argument by showing that government ownership is impracticable: first, because it is an experiment fraught with dangerous consequences, and second, because the failure of the present system of government control means the failure of government ownership.

Our next contention is that government ownership is unnecessary. It is unnecessary because the progressive plan of regulation with which Congress and the Interstate Commerce Commission have been attacking the railroad problem is adequate for the solution of that problem. It is an easy matter for anyone with the knowledge of ancient railroad history and a vivid imagination to construct a hypothetical case for government ownership, but after they have finished, we must agree with Mr. Roy Morris, the noted New York banker, that the smoke of the conflagration greatly exceeds the flames. What we want is not a list of pre-historic evils, but a frank statement regarding the work of the Interstate Commerce Commission.

When the Commission went into the regulatory business—thirty years ago—there *was* a railroad problem. If a need for government ownership existed, it existed then. But thirty years

of regulation have, according to the Interstate Commission, reduced railroad evils to a minimum. And upon this minimum, the mere remnant of what was once a great railroad problem, the Affirmative are basing their case! If the Gentlemen wish the actual facts let them turn to the last report of the commission and note the vast reduction in the number of cases. Regulation is narrowing its own field; every year sees it becoming more effective. The only cases of discrimination that can be positively cited are from the Interstate Commerce Commission reports—and these are positive proofs of the efficiency of regulation. Of course, violations occur, but if we rejected laws for that reason, we would soon have no laws. As Judge Thom told the Senate Interstate Commerce Committee: "If the great mass of abuses exist at all they exist only in sporadic cases, but certainly as to those that are not removed, the retention of present corrected powers will be sufficient to deal with them." Professor Seager, the noted Columbia economist, says: "The amendments to the Interstate Commerce Commission Act have succeeded in their general purpose of putting a stop to discrimination." And it is this principle of regulation, modified to suit changing needs, that we of the Negative contend will solve the railroad problem. And it devolves upon the Affirmative to show us why a system of regulation that has been successfully narrowing its own field, and that has been constantly increasing in efficiency should be discarded in favor of a radical and dangerous experiment.

This brings us to our final contention: that national regulation is preferable to government ownership. It gives the public the benefit of the added efficiency which Director-General Hines admits is to be derived from private ownership, and, in addition, permits the Government to profit by that efficiency. It is based upon recognized American principles, and is not radical, experimental, nor socialistic. It commends itself to the taxpayer, for, under such a plan, he does not have to carry the shipper's burden by making up Government deficits. It does away with the danger of a railroad pork-barrel, of political manipulation of 2,000,000 laborers, and eliminates the chance for the wasteful expenditure usually practiced under the theory that "the Government can afford it." It makes railroad operation a specialty of private enterprise, not a side issue of Government

enterprise. It gives the Government the opportunity to exercise its true regulatory function—and to ask the Government to regulate itself with the same skill with which it can regulate private enterprise is to ask the impossible. It makes the railroads more accountable, for they are constantly accountable directly to the Government, the public, and to their stockholders; government ownership is accountable at the polls only in an indefinite manner, and then but once in every four years. In short, national regulation has all of the virtues and none of the vices of government ownership.

Furthermore, national regulation eliminates government ownership, but government ownership cannot eliminate national regulation. Mr. Franklin J. Lane, speaking from his experience as Secretary of the Interior and as a member of the Interstate Commerce Commission, says: "Ownership by the Government implies regulation by the Government. If Congress and the Interstate Commerce Commission fail, what assurance have we that some other commission regulating a Government system of railroads will succeed?" The only distinction our Opponents have made between regulation under government ownership and regulation of private ownership has been their reference to the regulation of the invisible—and we have already showed that this argument belongs to the stone age of railroad history. The solution of the railroad problem lies not in ownership but in regulation. And if regulation will solve the problem, why should we cumber ourselves with the unnecessary, undesirable, and impracticable experiment of government ownership? If the Government cannot regulate, how can it operate?

The issues of this debate are now plain: Is government ownership necessary? Is it practicable? Is it the best plan for the future? Our answer is: it is unnecessary; it is impracticable; the present plan of progressive regulation is far more preferable.

FIRST NEGATIVE REBUTTAL

Julian E. Jackson, Coe

Ladies and Gentlemen: The Affirmative this evening have attempted to establish their contention that there is a need for government ownership of railroads by telling us of numerous

evils in the system of private operation. They have told you that private operation is capable of eliminating these evils, but that government ownership would prove an ideal remedy. They have mentioned, for instance, congestion. As we have pointed out in our constructive speeches, congestion was not due to the railroads themselves, but to the failure of the government to provide ships so that cars might be unloaded. We have also pointed out that the relief which came later for this situation was not due to the Government assumption of control, but was only due to the provision of such ships. Again they have mentioned the evils of re-routing, and here let me point out that the Government when it attempted to eliminate re-routing saved space amounting to only 2/10 of 1% of the area affected. They have told us of savings affected by consolidation of ticket offices. But, Gentlemen, they have failed to tell us that under private ownership the railroads attempted to consolidate ticket offices but were forbidden to do so by the Government.

Duplication of service they have told us is another great evil in the past system. But, Ladies and Gentlemen, Ex-Director McAdoo says that the eliminations he made where service was duplicated, were for the period of the war only, and that trains will be put back on schedule almost immediately. He also admits that there has been a corresponding decrease in the service to the public with the elimination of these trains. And then, Ladies and Gentlemen, they have told us of the savings affected by eliminating advertising, but do they realize that the Government is now advertising the railroads? During the month of February, railroad advertisements appeared in the Cedar Rapids Gazette, and in other publications. Mr. McAdoo says that the Government must advertise the railroads. Mr. Julius Kruttschnitt estimated that the total savings by the Government amounted to less than one per cent of the operating expense. Judge Thom in an examination before the Joint Committee, appointed by Congress on Interstate and Foreign Commerce, said that "The great mass of these abuses have been removed; if they exist at all it is only in sporadic cases, but certainly as to those that are not removed the retention of your corrective powers will be sufficient to deal with them."

But, Ladies and Gentlemen, is not all the discussion beside the point? Do we not all know that there will be greater evils

under government ownership than could possibly come about under private operation? America's experience in the war has shown us that the Government has scandalized public as well as private concerns. Against the New York, New Haven and Hartford failure, let us place a munition scandal, a raincoat scandal or an aeroplane scandal. The burden is on the Affirmative. They must show that they have something not just as good as private operation, but something better. This they have failed to do.

The Affirmative have altogether dodged the issue of foreign experience. Why is this? They have, however, admitted that no foreign railroad once coming under government operation and ownership has ever been returned to private ownership. As we have shown in our constructive speeches, it is impossible to return a railroad to private hands once it has become nationalized. Do the Gentlemen of the Affirmative know that during the past ten years Italy twice tried to turn back its railroads and could not? They have attempted to meet our contention that public opinion is opposed to government ownership, by telling us that Representative Baer of North Dakota—who is a representative of the North Western Grain Growers Union—a radical, political organization, is in favor of such a measure. We admit that government ownership and other radical measures are advocated by this organization and others of a more or less socialistic tendency. Why have they not quoted their own Senator, L. Y. Sherman, one of the leading statesmen in the Senate, who recently said, "Government ownership dragged from the inner faith of Socialism is an unpopular creed." The Literary Digest stated in a recent number that government ownership is almost altogether without support, and that the predominance of opinion is for private control under restriction. The Chicago Tribune says that business men are opposed to government control of railroads according to a canvass of 4,400 firms, which has just been finished by the National Association of Manufacturers. In their replies the manufacturers gave as one of the chief obstacles to general business activity—the government operation of the railroads. The Philadelphia Chamber of Commerce recently protested against the continuation of government control. Theo. H. Price, a leading economist and editor of "Commerce and Finance," says "Outright, government ownership appears to

have been definitely rejected." Clifford H. Thorne, chairman of the Iowa Railway Commission, says that "Government ownership is so distasteful with the shippers of the United States that were a popular vote taken today it would be defeated overwhelmingly. Government operation has created a very intense hostility on the part of the shippers of the country."

Thus we have taken up the arguments of the Affirmative that there is no need for government ownership and have shown that the evils they have quoted have been reduced to the minimum and are only remnants of the past, and that government ownership would bring us greater evils. We have taken up public opinion and have shown you that representatives, statemen, magazines and newspapers agree that public opinion is opposed to government ownership.

Thus we contend that there is no need for the radical plan proposed by the Affirmative, and we maintain that the Government should not own and operate the railroads.

FIRST AFFIRMATIVE REBUTTAL

Leonard W. Melburg, Monmouth

Honorable Judges, Ladies and Gentlemen: Our Opponents have used as authority Mr. Kruttschnitt and have stated that he is a Harvard Lecturer. According to "Who's Who in America," Mr. Kruttschnitt is not a Harvard Lecturer but is Chairman of the Executive Committee of the Southern Pacific Railway. Naturally railroad men would not condemn their own business and we of the Affirmative will not accept railroad magnates as authority on this question.

Now, Honorable Judges, our Opponents would have you believe the financial obligation involved, should the Government buy the railroads, would amount to twenty billions of dollars. But to obtain the roads the Government does not need to expend this amount. In the first place railroad bonds represent all the securities except about five billions of stock. The bonds like any real estate mortgage would not be affected by a transfer of the property. Therefore to obtain the roads the Government need only buy the stock. Mr. Davis, prominent attorney of

Iowa City, in a personal interview with us this afternoon, is authority for the statement, "The vast majority of the holders of this five billion dollars worth of stock would gladly exchange the same for Government bonds. The few that objected would be given cash." Dean Raymond of the University of Iowa, corroborated Mr. Davis' opinion and told us he considered the argument, that the Government could not buy the roads, absolutely insignificant.

Our Opponents have also maintained that public sentiment is against government ownership. We do not believe this is the case. On the contrary there is a very strong sentiment in its favor. Hiram Johnson, one of the leading Republican Senators, Richard T. Ely, Professor of Economics at Wisconsin University and the late President Van Hise of Wisconsin University; all these men have favored government ownership of our railroads. The Independent Magazine, the Outlook and all the papers of the immense Hearst syndicate, are today favoring this measure. Furthermore, the new labor party just formed at Springfield, Illinois, has a plank in its platform demanding government ownership and operation of the railroads. Thus we see, Honorable Judges, the people do want government ownership and the claim of the opposition is without foundation.

Now, Honorable Judges, in our first constructive speech, we asked our Opponents if they favored government ownership and operation of the postal service. Our Opponents refuse to meet us fairly on this issue. They have quoted several periodicals but they do not commit themselves. Since our Opponents have not taken a stand against government ownership and operation of the postal service we naturally assume they favor this policy of government ownership. Since our Opponents favor government ownership of our post office why do they not favor the same policy for our railroads? Both are public servants, both are absolutely necessary for the welfare of the public and as such should be operated for the benefit of the public. We would like to know in what way the transportation of the mails is any more necessary than the transportation of the necessities of life. We would like to know therefore why our Opponents favor government ownership and operation of the postal service and not of the railroads.

Now, Honorable Judges, we have pointed out certain grave evils existing under private management. Our Opponents maintain that these evils have been removed by the Interstate Commerce Commission. They have dwelt at length upon the achievements of this regulating body. And yet the third speaker took a large share of his constructive speech in presenting a policy of progressive legislation to remedy these evils which his colleagues have already pointed out have been removed by the Interstate Commerce Commission. The very fact that our Opponents present some new policy is a tacit admission that the old system has failed. Our Opponents also claim similar evils would exist under government ownership. We have challenged our Opponents to point out any existence of these evils during the fifteen months of government operation. Since the opposition have not met our challenges we assume that government ownership is a remedy for these evils.

SECOND NEGATIVE REBUTTAL

Roland Paine, Coe

Ladies and Gentlemen: The Affirmative has based its case this evening on certain issues. My Colleagues have already taken up two of these issues and have shown you that there is no need for government ownership, and that such a drastic measure is undesirable. Let us take up their third issue, that government ownership is impracticable.

First, our Opponents contend that the Panama Canal stands as a worthy monument to the efficiency of our Government in conducting a business enterprise. But Colonel Goethals, the man who built the Canal and a man who ought to know, says that it cost the Government between seventy-five and eighty cents to excavate a cubic yard of earth whereas private enterprise could have removed the dirt for fifty cents a cubic yard. Now let us further study the efficiency of our Government and apply it to the Panama railroad, which the Government of the United States owns and operates. This road has an average freight rate of 4.14 cents per mile compared to three-fourths of a cent in the United States before the war. The operating expenses for this road in less than the ten years of existence rose from 66% to

79% of its gross earnings and are over seven times as much as the operating expenses of privately owned roads in the United States. Gentlemen, if the Government of the United States cannot satisfactorily own and operate a railroad less than thirty-five miles in length, a railroad which probably owns quite a few freight cars and several locomotives, we ask you frankly, what could it do with one-third of the railway mileage in the world?

Our Opponents have boldly declared that all authorities agree that government control has been successful. On the contrary, statements from some of the most prominent railroad men in the country show that the results of government control are very discouraging.

Charles E. Hughes says, "The experiment would not appear to afford a basis for expecting a net balance of benefits in government ownership and management." The Railway Age says, "Regardless of the advance in wages, government operation has been more expensive than private operation would have been." Theo. H. Price says, ". . . the net results of railroad operation under government control are becoming more and more discouraging." The Saturday Evening Post says, "On the score of service, government control has yet to justify itself." Director General Hines concedes that private enterprise is more efficient than the Government. Thus it is evident that the contention of the Affirmative that the Government has proven its business ability by its management of the railroads during the last sixteen months, is without foundation.

Now let us take up the facts of the case and see just what government control did accomplish. Taking for example the volume of traffic measured by tons of freight carried one mile, statistics show that during the nine months of unified control in 1917, 13% more freight was carried than during the corresponding nine months in 1918 under government control. The loaded car mileage was 7.5% larger than under government control. The miles run per locomotive per day were 7.2% higher than under government control. And all this despite the fact that the railroad administration spent \$1,000,000,000 more than in 1917 to secure efficiency. On what ground then, has the Affirmative based its arguments of government economy and efficiency?

In conclusion, I have met the issue of the Affirmative and

shown that government ownership is impracticable, first because the Panama Canal is not the magnificent monument to government efficiency as the Opposition would have you believe, second the concensus of opinion among leading railroad authorities show that government control has not succeeded, and third because figures prove that the Government spent more and gave less during its year of control than was given by the railroads under private ownership.

SECOND AFFIRMATIVE REBUTTAL

J. Glenn McFarland, Monmouth

Honorable Judges, Ladies and Gentlemen: In my constructive speech I asked the Gentlemen why it was that during the thirty-two years of regulation by the Interstate Commerce Commission 1,014 railroads had gone into the hands of receivers. They have utterly ignored this question; we demand that this question be answered. We read from the Annals of American Science for 1918: "In 1915 there were more miles of line in the hands of receivers than at any time previous in the history of the country and this fact was earnestly presented as the need for increased rates. A very brief analysis showed that two-thirds of the roads in the hands of receivers had reached bankruptcy because of the shameful financial operations of the speculators who had secured control of the roads."

Our Opponents claim the Interstate Commerce Commission has been successful and yet the Saturday Evening Post said editorially, "The break-down of railroad transportation was a break-down of railroad regulation." Therefore since regulation has failed, as Senator Johnson of California points out, government ownership is the next logical step.

The Gentlemen claim that railroad employees under government operation would become a dangerous political factor. We would like to ask our Opponents to cite us one single election in all the history of the United States in which the postal employees were even accused of influencing a presidential election. Moreover the government has been operating the railroads during the last fifteen months during which time occurred a national election; altho substantial increases in salaries had been granted

to all railroad employees yet the records show this did not affect their political affiliations and the party in power was not returned to office. The Negative is absolutely insulting the integrity of the American laboring man when they claim that his political views can be so easily distorted.

Furthermore let us not forget the part the railroads under private operation have always played in politics; they have influenced the nominations of candidates, they have their representatives at Washington and at every state capital, and these railroad lobbies, as Samuel O. Dunn has said, have done their work thoroughly. We quote from a recent speech of Hiram W. Johnson who was elected as Senator from California for his services in driving the Southern Pacific out of politics in that state: "I will risk any kind of politics under government operation in preference to that I have seen under private operation."

Our Opponents claim that railroad service during the war was objectionable but let them remember that the Government had but one object in mind, namely, to move troops, munitions and supplies of war. Service to the public was purely secondary. The Government was primarily concerned with relieving the congestion which had arisen as a break-down of private operation. We could afford to stand in the aisles when the extra coaches were being used to transport soldiers to the embarkation camps. Notice, Honorable Judges, our Opponents told you that the present system never had been worse. But John B. Paige says, "Trains are now running on schedule time. Parlor cars and lounging cars are back in service." Finally, keep in mind that the Government in relieving the dangerous congestion succeeded where private operation failed.

The Negative have accused the Government of being wasteful and extravagant. In the first place we maintain that extravagance can and will be eliminated by the plan of government operation we advocate. That is, by placing the operation of the railroads in the hands of a non-partisan business-like body. Furthermore, is there any governmental extravagance which could compare with Harriman's exploitation of the Chicago and Alton, or Mellen's wrecking of the New Haven, or Dan Ried's misappropriation of the Rock Island's railroad funds?

All the Government extravagances which our Opponents have pointed out have been extravagances of Congress, but as we have shown you under the plan of government ownership and operation which we advocated the railroad service will not be in the hands of Congress but in the hands of a non-partisan business-like body. Therefore all the extravagance and wastefulness our Opponents have accused Congress of, is irrelevant and beside the point.

Our Opponents claim that government operation has been costly, that rates have been raised, but so has everything else: clothing has increased in price 58%, food 98%, coal 100%, leather 100%, paper 150%, glass 300%. Do our Opponents expect railroad rates to remain stationary in the face of the universal rise in all other commodities?

THIRD NEGATIVE REBUTTAL

Charles S. Weber, Coe

Ladies and Gentlemen: A few details still remain to be disposed of. If the Gentlemen of the Affirmative will divide the number of railroad failures by the number of years in the period which they say these failures covered, they will find the result to be a very insignificant one. Furthermore, if they will compare the actual mileage of Germany with that of the United States, they will find that mile for mile there are no more accidents in the United States under private ownership than there are in Germany under government ownership.

Now let us get at the fundamentals of this debate. My first Colleague has carefully analyzed and refuted the first main issue of the Affirmative. He has taken up each of the evils mentioned by our Opponents and has shown that these evils are either being reduced to the minimum by the present method of progressive regulation or else that they do not constitute a need for government ownership. In addition, he has pointed out evils of a far greater magnitude which will exist under government ownership, and the Affirmative have failed to show how these evils would be eradicated. What we want is something not just as good as the present system; the Affirmative must carry the

burden of proof and give us something better. This they have not done.

My second Colleague has attacked the second main issue of the Affirmative: the practicability of government ownership. He has shown that government enterprise has not been successful with the post office or with the Panama Canal, and he has, furthermore, showed that the contention of the Affirmative, that government control of the railroads has been a success, is without foundation. He has showed that despite exemptions from the draft, more men have been needed under government control than under private management, due largely to the decrease in efficiency resulting from the Government's paternalistic policy. He has showed also that despite the removal of war conditions, the Government's operating deficit is increasing at a tremendous rate.

This brings us to the final issue of this debate. Shall we adopt government ownership or continue with our plan of progressive regulation? We are not contending, as the Affirmative would have you believe, for a new and untried system; we are standing for the old system, modified to meet changing conditions. The problems of today cannot be solved by the methods of yesterday, but the principle of regulation which has succeeded in the past will, since it can be modified to meet the present conditions, succeed in the present.

The Affirmative have failed to show that the evils which they mention are inherent in private ownership. We have showed that those evils are not inherent, as they are being eliminated by means or regulation. On the other hand, we have showed that government ownership does have inherent evils. Every citizen realizes that under government ownership, such evils as partisanship, pork-barrel, sectionalism, and wanton extravagance are common. We would rather not have these evils, but we realize they are inherent in the system, and that we must put up with them. Consequently, the question becomes, do we wish to take the greatest railway system in the world out of the hands of private initiative under which the Affirmative have failed to show inherent evils and place it in the hands of government ownership with its inherent evils? We agree with Professor Van Metre of Columbia, that such a step would be the greatest folly.

But why has the Affirmative claimed that regulation has failed? Solely because it has failed to eliminate every railroad evil. By the same test, therefore, government ownership also fails, for, as we have showed, government ownership will not be free from railroad evils. In fact, the burden of proof is on the Affirmative to show that greater evils and discriminations will not exist under government ownership than now exist under private initiative.

Before closing this debate, we would like to ask the Affirmative why it is, if government control has been the success which they claim it has been, that such authorities as Director-General Hines and former Director-General McAdoo are not in favor of government ownership? Is it not because these men realize that all the good of government control can still be secured under private ownership without having to put up with the evils of government ownership?

In conclusion, we have met the three main issues advanced by the Affirmative, and we have showed that government ownership is unnecessary, impracticable and not preferable to private ownership. We conclude therefore that the Negative case for progressive regulation of private enterprise still stands.

THIRD AFFIRMATIVE REBUTTAL

William McClenahan, Monmouth

In the final analysis of the case of the Negative, we find two glaring defects—first, an inconsistency and second, a confession.

The inconsistency is this:

The Opposition has described the excellency of the American transportation system and yet they have advocated progressive reform legislation. If the old system was as good as our Opponents have attempted to prove, why advocate progressive reform legislation? Therefore, the inconsistency alone condemns the case of the Negative.

The second fallacy of the Negative case is their implied confession that the old system was defective. If not, why propose progressive reform legislation? But just what is this progressive reform legislation and what is it supposed to do? Such a sys-

tem as they have advocated is veiled in such obscure terms as to render it practically worthless as a remedy for the acute transportation problem. But, why have they not been specific, practical, and constructive as we have been in presenting our case? This failure of the Negative to interpret their plan to us certainly seems to show that camouflage rather than facts has been the basis of their argument.

Our Opponents have attempted to establish their case on the proposition that public opinion is opposed to government ownership. And yet our second speaker quoted Representative John M. Baer who said that in his opinion the majority of the people of this country were in favor of government ownership.

In our first rebuttal speech we showed that Senator Johnson, one of the leading Republican Senators, Professor Ely of Wisconsin, the late President Van Hise of Wisconsin, have been in favor of this policy.

Such magazines as the Outlook, Independent, and all the papers of the immense Hearst syndicate have been editorially advocating government ownership. A large labor party in the state of Illinois has placed government ownership as one of the planks of its platform.

And lastly, Honorable Judges, we read editorially in the current issue of the Review of Reviews that the question of government ownership may become one of the leading issues of the next presidential election.

In the light of such evidence we believe that there is a strong sentiment in America in favor of government ownership and operation of our railroads and that our Opponents' argument is without foundation.

A careful investigation of the case of the Negative reveals the fact that under their plan the honest operation of the railroads depends entirely upon the personal honesty of the government regulatory commission. At the same time they deny the possibility of an honest operating commission under government ownership. Why this inconsistency? If a regulatory commission can be entrusted with this power why not an operating commission? This shows very clearly the fallacy of our Opponents' argument.

The case of the Negative is closed, and they have proposed no solution, no remedy for the acute transportation problem of

the United States. Every railroad authority of America admits that one of two plans must be adopted: first, government ownership or second, some reconstructed program of private ownership and operation.

All authorities agree that if the railroads go back to private operation without remedial legislation of some kind, bankruptcy will result within a year; and even the President of one of our largest railroads has stated that rather than go back to the old conditions of private ownership he would prefer to sell his road to the government. And yet all the Negative has offered us is the impossible discredited plan of pre-war days. That system has proved a wretched failure, and will never again be permitted by the American nation.

Our plan, on the other hand, has been constructive. We have shown you that government ownership is a feasible solution of our transportation problem. Therefore, we must choose between the practical, constructive plan of the Affirmative or the obsolete, discredited plan of pre-war railroad regulation in private hands.

The Opposition blame the dangerous congestion in 1917 to the fact that there were not enough ships to relieve this congestion. And yet, Honorable Judges, we see that with the same number of ships and an equal amount of traffic, government operation relieved this congestion.

The real cause of this congestion in Mr. McAdoo's own words is because there was lack of terminal facilities and a serious lack of co-ordination. In other words it was lack of unified control that was the cause.

The last speaker of the Negative has made the statement that he has answered every one of our arguments. Honorable Judges, they have attempted to answer all our arguments but they have absolutely overlooked the sole argument upon which we rest our whole case, and that is unified control. They have recognized the value of unification and so the real clash of our debate is how we can most safely attain these advantages of unification.

Remember, Honorable Judges, the unscrupulous abuse of the limited amount of power the profiteers have had in the past. And as we pointed out in our main speech, are we willing then to give to a small handful of railroad magnates complete domin-

ation over twenty billions of dollars and entire control of the arteries of commerce and American life?

The very men, Honorable Judges, whose evil practices the Interstate Commerce Commission has in the past thirty years been unable to curb!

Therefore, Honorable Judges, we must conclude that we can only entrust this wealth and power to our own people, to our Government.

In conclusion, Honorable Judges, we rest our case on the following facts: Private ownership of railroads developed five serious evils which regulation failed to remedy:

First, rebates and rate discriminations have always existed, and as James J. Hill says, always will exist under private ownership.

Second, the stocks of railroads have undergone violent fluctuations enabling men like Harriman, Read, and Mellon to manipulate the markets, wreck railroad property and rob the public.

Third, the fact that some roads make enormous profits while others go bankrupt under the same conditions shows the almost impossibility of fixing a just rate.

Fourth, the roads have been subject to conflicting authority of forty-eight state commissions and one Interstate Commerce Commission, a condition remedied at once by government ownership.

Fifth, needless duplication and wasteful competition have resulted in extravagance and poor service. These evils would not exist under government ownership. Furthermore, we have shown you the failure of the Interstate Commerce Commission because it was trying to regulate something it could not see, but the failure of private operation was most forcibly demonstrated in December 1917. The congestion that has arisen forced the Government to assume control. Authorities agree that government operation succeeded where private had failed. Why did the Government succeed in relieving the congestion which threatened a national tie-up? Because of unified control. All authorities agree that the principle of unified control must never be sacrificed. Our railroads must serve the country as one single system. Therefore, the real issue in the debate has not been squarely met by the Opposition. We have shown, however, that

if we are to retain this advantage in peace times we can entrust this concentration of wealth and power more safely to our own Government than to ordinary railroad magnates.

War blazes the trail for new reforms and the value of unified control has been unquestionably demonstrated during the war.

It was not until General Foch was given supreme control that the Allies sped on to victory. It was unified control on the battlefields of France that conquered Germany. It was unified government control that relieved the dangerous congestion. It is unified government control that gives us so prompt and efficient service in the Postal Department. We must never sacrifice this principle on our railroads. It would be dangerous in private hands, therefore, we must conclude that the Government must assume control. America should own and operate her railroads.

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